

## Yeltsin Wins Pact On Unity Of Russia

### 18 of 20 Regions Wrest Concessions As Signing Price

By Fred Hiatt  
Washington Post Service

MOSCOW — President Boris N. Yeltsin, seeking to insulate Russia from the process of disintegration that destroyed the Soviet Union, signed a treaty of federation Tuesday with 18 of the 20 semi-autonomous regions of his vast nation.

Mr. Yeltsin heralded the treaty as vital for Russia's future and ordered a fireworks display in Moscow to celebrate its signing. Leaders of the ethnic regions, many of which are wealthy in oil, diamonds

Moscow's stake in the IMF is set at 3 percent. Page 6.

and other resources, pledged to remain within Russia in exchange for more sovereignty and a greater share of their mineral wealth.

"A united Russia, as is and will be," Mr. Yeltsin said after signing the accord in one of the Kremlin's most ornate halls. "The course of Russian history will not be broken."

Backers of the accord said it would finally put a brake on the process of dissolution that has seen 15 new nations, from Estonia to Kyrgyzstan, emerge from the Soviet Union. But some observers, remembering the many treaties that were signed or initiated and then ignored as the Soviet Union splintered last year, reacted with some caution to the achievement.

A television commentator, Yuri Rostov, noting that many regions signed with reservations or conditions, said that the treaty was intended to prevent "or slow" Russia's disintegration, and could only be seen at this stage as a symbol of Russia's desire to remain whole.

Sergei Shakhrai, a Yeltsin adviser who offered his resignation for apparently unrelated reasons Tuesday, agreed that various regions' objections, and what he regarded as excessive Russian concessions, meant that "in practice everyone will be guided by his own text, and people will suffer as a result."

The treaty gives each region the right to "independently participate" in foreign relations and foreign economic ties, to govern itself based on its own constitution and laws and to choose its own anthem, flag and state symbol.

Sergei B. Stankevich, another Kremlin adviser involved in the

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King Juan Carlos I of Spain, wearing yarmulke, and Queen Sofia during the ceremony Tuesday.

## Spain Reconciles With Jews

### After 500 Years, 'a Painful Cycle in History' Is Closed

By Alan Riding  
New York Times Service

MADRID — In a poignant ceremony marking the 500th anniversary of the expulsion of the Jews from Spain, President Chaim Herzog of Israel and King Juan Carlos I of Spain prayed together in the synagogue of Madrid on Tuesday in a gesture symbolizing the reconciliation of their two peoples.

For Mr. Herzog, it was an occasion that "closes one more of the many painful cycles in the history of our people." And he added: "We cannot change the past. But we can learn its lessons and thus assure a better future for ourselves and humanity."

For the king, it was a chance both to pay homage to the exiled Sephardic Jewish communities that over the centuries never forgot their Spanish roots and to tell Spanish Jews that Sephard — the Hebrew name for Spain — is "no longer a nostalgia" because it is once again their own home.

"It may seem odd to choose the anniversary of a separation for a meeting of such profound significance," said Joan Carlos, who wore a yarmulke and was accompanied by Queen Sofia. "But the history of all peoples and, without doubt, that of Spain, is full of lights and shadows."

The edict of expulsion signed by King Ferdi-

nand and Queen Isabella in Granada on March 31, 1492, ordered "the departure of all Jews from our kingdoms with instructions that they should never return." Facing death if they stayed beyond July 31 that year, between 100,000 and 200,000 Jews fled.

Their abrupt departure ended a Jewish presence in Spain that dated back to at least the third century and had included periods of great prosperity and influence. "For those Jews, Spain was not an exile or a diaspora," said David Grebler, president of the National Jewish Commission Sephard 92. "Spain was their country."

The expulsion of the Jews is one of three watershed events that took place in 1492 and are being marked by this year's quinquennial. On Jan. 2, 1492, the fall of Granada ended eight centuries of Arab presence and completed the unification of Spain. On Oct. 12, 1492, Christopher Columbus discovered the New World, founding a vast Spanish empire in the Americas.

The religious ceremony in the Beth Ysaacov Synagogue of Madrid, accompanied by prayers and psalms, was the principal event of Sephard 92, an international program of publications, lectures, exhibitions, concerts and movies to commemorate the occasion.

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## UN Votes Sanctions on Libya; China and 4 Others Abstain

By Paul Lewis  
New York Times Service

UNITED NATIONS, New York — By a relatively narrow vote, the United Nations Security Council has given Libya until April 15 to surrender two Libyans accused of blowing up Pan Am flight 103 over Lockerbie, Scotland, in 1988 and to cooperate with an investigation into the destruction of a French airliner over West Africa the following year.

If Libya does not comply by this date its air links with the rest of the world will be cut off and it will suffer a variety of other economic and political sanctions, including an arms embargo.

The vote in the 15-nation council was 10 members in favor and none against, one more than the minimum of nine needed to approve a resolution.

But five members, or a third of the membership, abstained, all of them saying they favored delaying an ultimatum to Libya to allow more time for a negotiated settlement.

The abstainers were China, a permanent member that could have vetoed the decision, as well as Morocco, the council's only Arab member, and India, Cape Verde and Zimbabwe.

The council's two Latin American members, Venezuela and Ecuador, voted in favor, along with the United States, Britain, France, Russia, Japan, Austria, Hungary and Belgium.

The resolution, which obtained a smaller margin of support than any of those dealing with Iraq during the Gulf crisis, was adopted despite pleas from the Arab League, the Organization of Islamic States and the Maghreb Union of North African countries for delay and warnings by these bodies that sanctions against Libya risk arousing politically destabilizing passions throughout the Arab world.

But all council members emphasized that Libya still had two weeks left in which to comply with their demand that it hand over the suspects in the Pan Am 103 disaster to Britain or the United States for trial and send four other Libyans before a French judge investigating the downing of UTA's Flight 772 over Niger.

A total of 441 people from 30 countries died in the two catastrophes.

In addition, Libya must not only "commit

itself definitively" to renouncing terrorism but also "demonstrate its renunciation of terrorism" by unspecified "concrete actions."

If Libya fails to meet the April 15 deadline, all countries must sever air links with Tripoli, close its airline offices and stop servicing its aircraft or selling it more planes and spare parts.

The sale of all armaments to Libya will also be banned.

And governments must reduce the size of

Libyan embassies and restrict the movement of Libyan diplomats.

The resolution provides for these sanctions to be reviewed by the council at least every four months. And it says countries suffering economic hardship as a result of them, such as neighboring Egypt and Tunisia, which fear Libya might appeal their nationals working there, may appeal to the council for compensation.

The U.S. representative, Thomas R. Pickering, said the resolution would be "a landmark in the history of international law."

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The U.S. ambassador to the UN, Thomas R. Pickering, top right, with the British ambassador, Sir David Hannay, to his right, as the Security Council debated on Tuesday.

## Mounting Concern in Clinton Campaign

By Thomas B. Edsall  
Washington Post Service

NEW YORK — Facing strong evidence that questions about his character have put him at risk in next Tuesday's important New York primary, Bill Clinton has changed strategy, suddenly stepping up debates with his remaining opponent for the Democratic nomination.

The Arkansas governor said he sought the added televised debates with Edmund G. (Jerry) Brown Jr. as a way of going "directly to the people," bypassing what he complained were distortions of his campaign by the media.

His initiative to request more debates with Mr. Brown, the former California governor, was an unusual step for a front-runner. Mr. Brown appeared to recognize that

Tuesday when he said, "There's a little race in politics — you never debate a challenger until you're a loser. That's the category he's in now."

Responding to Mr. Clinton's

Clinton sees a high-level post for his wife if he is elected. Page 3.

challenge to add more debates, Mr. Brown said, "Things are looking up."

Mr. Clinton explained his campaign shift by saying that the voters have heard only "bad stuff dumped on them about me." Since, he said, the media do not accurately report on his positions, "at least the people who watch the debate will hear them."

In addition to the debates, Mr. Clinton's advisers are considering

buying a half-hour of television time in New York to let him answer questions directly from voters, a tactic he used successfully in the final week of the New Hampshire primary campaign in February.

"There is a limit to how much time I have," Mr. Clinton said, sounding uncharacteristically pessimistic.

The cumulative effects of allegations about his marriage, draft status and business dealings were underscored in a poll released Sunday night by WABC-TV in New York.

Asked whether Mr. Clinton has the "honesty and integrity" to be president, the poll of 700 voters found that 57 percent said "no" while only 29 percent said "yes." Even among Democrats, 51 percent said he did not have the requisite honesty and integrity, and

among city voters the figure shot up to 62 percent.

The survey results indicated greater damage to Mr. Clinton than a national Washington Post-ABC poll conducted about two weeks ago. That poll found that a plurality of voters, 46 percent, did not believe that Mr. Clinton had enough honesty and integrity, while 41 percent said he did.

As part of a new strategy, devised by his senior staff members on Monday, Mr. Clinton will try to schedule other events besides debates that will make him appear open to inquiry from voters, and launch new television ads designed to give positive information about his background and record as governor.

"He's got to give a more complete picture of himself," said one Clinton adviser. "He's got to give a more complete picture of himself."

See CLINTON, Page 3

## The Chaos in Zaire: Nothing's Working

By Keith B. Richburg  
Washington Post Service

KINSHASA, Zaire — There's not much left of the General Motors assembly plant here. Last fall, three waves of looters picked it clean.

The first wave, a Zairian military unit based at the nearby airport, stole all the plant's vehicles. A second wave of rioters took all the assembly-line equipment and everything else that wasn't welded down. There wasn't much left for the third wave of looters, so they took the walls and the roof.

The devastated plant, part of a row of newly abandoned factories on the route into Kinshasa from the airport, stands as a compelling metaphor for the hollow shell that is now Zaire's economy. Potentially one of the richest countries in Africa — a country with enough arable land and hydroelectric potential to feed and power the entire continent — Zaire has been stripped bare and left to wither.

It is difficult to exaggerate the extent of the economic crisis here, a crisis brought on over years by mismanagement, neglect and monumental official corruption. Diplomats and other observers attribute the chaos largely to the policies of one man, President Mobutu Sese Seko, and to Mr. Mobutu's foreign backers and aid donors who overlooked his excesses because he was seen as a valuable Western ally on an unstable continent.

The crisis was made worse by rioting in September that was touched off by army troops who had not been paid in months. The riots sparked a mass exodus of the country's expatriate community — a vital cog in the economy — and forced the closing of countless businesses that were then looted or wrecked by a hungry, frustrated populace.

In the capital now, the cost of food is out of reach of most Zairians, so many eat just one meal a day. In large families, some parents can afford to feed their children only on alternate days.

Western aid workers say they were seeing an increase in malnutrition cases, particularly among children, almost ensuring inadequate development.

People are not quite starving because they can fill up on widely available cassava root, a starchy staple here in trying times. But while filling, cassava has little nutritional value, and the plumpness of some

See ZAIRE, Page 2



SMILES OF THE WINNERS — Jodie Foster and Anthony Hopkins with their Oscars for best actress and best actor in "The Silence of the Lambs," which also won awards for best picture, best director and best adapted screenplay. Page 22.

### Kiosk

#### Cresson Meets With Mitterrand

PARIS (Reuters) — France waited on Tuesday for President François Mitterrand to announce a decision on the future of his unpopular prime minister, Edith Cresson. Mrs. Cresson, 58, met the president for the third time in three days, and the TF1 television station said she had tendered her resignation.

Finance Minister Pierre Bérégovoy, 66, was a favorite to replace Mrs. Cresson, who has been widely blamed for the ruling Socialist Party's disastrous collapse in regional elections. Mr. Bérégovoy also had an hourlong meeting with Mr. Mitterrand but said it was just their weekly economic briefing.

Mrs. Cresson left her meeting with the president after 45 minutes without comment and later flew to Germany to speak at the Hannover trade fair.

#### Court Refuses to Grant Tyson Bail

INDIANAPOLIS (Reuters) — An appeals court on Tuesday refused to release the boxer Mike Tyson from jail on bail while his lawyers challenge his rape conviction.

A three-judge panel of the Indiana State Court of Appeals had been considering the matter since midday Monday, when it received documents relating to the case.

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#### General News

Messiah issue: Israeli sect's political clout depends on promised appearance. Page 5.

Stage/Entertainment

Mike Zwerin reviews the tales of two Brucés: The new ones of Springsteen and the old ones of Lemmy. Page 13.

Weather Page 2.

#### Special Report

Germany has been thrust onto center stage in Europe, but it is unsure of its role. Pages 7-12.

#### Dow Close

The Dollar in New York  
DM 1.643  
Pound 1.7365  
Yen 132.75  
FF 5.571

## Bonn Defense Chief Quits Amid Scandal

By Stephen Kinzer  
New York Times Service

BONN — Gerhard Stoltenberg, Germany's defense minister, resigned Tuesday following the scandal over illegal arms shipments to Turkey.

His senior aide, Otfried Hennig, also resigned.

The minister is a longtime friend and ally of Chancellor Helmut Kohl. At a news conference, Mr. Kohl said he respected Mr. Stoltenberg's decision to quit, but had not forced it.

Mr. Kohl said that the new defense minister would be Volker Rühe, 49, now chairman of the ruling Christian Democratic Union. An outspoken and ambitious figure, he is considered a possible future chancellor.

Mr. Stoltenberg said he feared that if he remained in office, his presence would harm the Christian Democrats, who face important elections Sunday in the provinces of Schleswig-Holstein and Baden-Württemberg. But the scandal has already inflicted damage by harming the public image of both the party and the Kohl government.

Only a few years ago, Mr. Stoltenberg, 63, was himself being mentioned as a potential chancellor.

See RESIGN, Page 2

## From Hamburg, Toronto and Madras, an Improbable Guide for North Pole Trips

By Clyde H. Farnsworth  
New York Times Service

RESOLUTE, Northwest Territories — The Japanese have tried it with motorcycles, the Norwegians with snowmobiles, the Swiss with mountain bikes, the French with packhorses from Quebec.

Each March, as the sun begins warming northern latitudes after three and a half months of darkness, thoughts turn to one of the last great challenges, a trek to the North Pole.

Many of the plans are laid around a big

kitchen table over innumerable cups of coffee in a prefabricated vinyl-sided house in this hamlet of 200, mostly Eskimos. Resolute is closer to Siberia than to Montreal.

Probably, the owner of the house, who has been in Canada's north for the last 13 years, is from near the Equator. He is Beza Jesudason, 51, a former mechanical engineer from Madras, India, who has learned Inuktitut, the Eskimo language. He hunts seal and caribou with his Eskimo friends, and runs both a little inn here and an enterprise called High Arctic International Explorer Services.

"This is home for me now, and I love it," he said.

He came to the far north via Hamburg, where he got his engineering degree, and Toronto. There, after working for a Caterpillar Tractor dealership, he joined the Department of Northern Affairs and was appointed maintenance supervisor at Frobisher Bay, now Iqaluit, on Baffin Island.

The department posted him farther and farther north, until in Resolute, after meeting his wife, Terry, a schoolteacher from British Co-

lumbia working in the high Arctic, he quit to go into private business.

High Arctic International outfits polar expeditions, like the latest one, by Nil Bohigas, 33, of Barcelona, who is trying to ski solo to the pole. He is an Olympic skier, whose background includes an ascent without oxygen to the 29,000-foot (8,829-meter) summit of Mount Everest. While on Everest, he paraglided from 24,000 feet to the base camp at 5,000 feet in 11 minutes, a trip that takes less intrepid mountaineers three days.

"There are some people who like to punch a

time clock." Mr. Bohigas said on the eve of departure earlier this month at the Jesudason's kitchen table. "I've always dreamed of doing something different."

His preparation included study of the experiences of Jean-Louis Etienne, a French doctor who in 1986 became the first person to ski solo to the pole. Mr. Bohigas said he wanted to be the first Spaniard to do it.

Mr. Jesudason, who runs the high Arctic outfitting business with his wife, said that since 1979 they had helped prepare 20 overland expeditions, of which 16 succeeded in reaching the

pole. He charges nearly \$10,000 per person for an eight-day tour that includes a trip to the pole.

"I know it might sound stupid or crazy," he said, "but it's nice that people have dreams to go to the pole. If people didn't dream, we would never have had the Taj Mahal."

People go to the North Pole, which is not on land like the South Pole but on a moving sheet of ice, just to marvel, Mr. Jesudason said. Some take champagne, drive golf balls, dance like children around the time zones of the world, or even dress as Santa Claus.



# Quarrel Over Fleet Steeped in History

## A 'New Crimean War' Looms Over Russia-Ukraine Dispute

By Celestine Bohlen  
New York Times Service

SEVASTOPOLE, Ukraine — The quarrel between Russia and Ukraine over the Black Sea Fleet is not just about the great gray warships in this city's narrow harbor that, orphanlike, still fly the red hammer-and-sickle of the former Soviet Union.

As most Russians and Ukrainians are quick to point out, the fight now testing the survival of the Commonwealth of Independent States has deeper historical roots. In many ways, it is really about the Crimean Peninsula itself, which is now poised for a referendum on its independence from Ukraine, and about Sevastopol, a navy town of faded elegance that dates to the reign of Catherine the Great.

Ukraine's claim to the fleet is territorial. The Crimea has been part of Ukraine since 1954, when the Soviet leader, Nikita S. Khrushchev, removed it from the jurisdiction of the Russian Republic and handed it over to Kiev, partly as a matter of administrative convenience.

Russia's claim is historical and for many of the Russians who live here and make up 70 percent of the city's population of 400,000, it is still deeply emotional. Sevastopol is where the Russian empire finally realized its dream of a southern port.

But in the meantime, negotiations between military experts over dividing the fleet have come to a dead end. The issue was not even discussed at the recent meeting of heads of the Commonwealth's 11 member states in Kiev, where many had hoped for a top-level decision on what most agree has become a political issue.

Ukrainian officers trace the stalemate to Russia, which they see as promoting its own interests, under the camouflage of the Commonwealth. The map on the wall at the fleet's press center would seem to bear out the Ukrainians' suspicions that Russians, who make up a majority of the officer corps, are not reconciled to a Ukrainian Crimea. On the large pink expanse of what was once the Soviet Union, someone penciled in the borders of the new Ukrainian state — leaving out the Crimea.

Indecision over the future of the fleet has cast a shadow over Sevastopol, with its old-fashioned downtown, classical colonnades, and hilly, tree-lined streets kept clean by brigades of sailors whose smart black uniforms help give the city its spiffy look.

The city is still closed to foreigners and even nonresidents, except those granted special permission by Kiev, in accordance with local military authorities. City officials say it will be opened soon, but only after the resolution of a severe water shortage that now limits usage to three hours a day.

Earlier this year, Sevastopol found itself short of funds, withheld by the Ukrainian parliament due to uncertainty over the fleet, said Mayor Ivan F. Yermakov. The subsidies were later restored, but Mr. Yermakov said, "As long as the issue of the fleet is unresolved, tensions remain in the city."

To the outrage of some residents, the Ukrainian government recently resurrected Sevastopol's special status as a city ruled directly by Kiev, as it was by Moscow under the Soviet era. Mr. Yermakov was named special representative to the Ukrainian president, Leonid M. Kravchuk, making the mayor an ambassador to Kiev, not to the local City Council or the regional Crimean government in Simferopol.

These moves were protested last week by a small group of demonstrators carrying banners that declared Sevastopol to be a "City of the Crimea, not a suburb of Kiev." The Republican Movement of Crimea, which led the drive for next month's referendum on Crimean independence, asserts that Mr. Kravchuk's aim is to divide Sevastopol from the rest of the Crimea, as a way of insuring his claim to the Black Sea Fleet.

As in Sevastopol, a large swath of territory that makes up 10 percent of the peninsula, ethnic Russians are the majority in the Crimea. In recent years, the region's ethnic mosaic has been made even more intricate by the return of some 166,000 Crimean Tatars to their homeland, after decades spent in Central Asia where they had been deported by Stalin after World War II.

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ing loyalty here, the other half there."

Sailors and officers say the contest for their loyalties has sapped morale, pitting Ukrainians against Russians in ways that no one was prepared for.

"We don't fight, but we argue," said a 20-year-old senior sailor from Moscow, who was taking a walk through town with a Ukrainian shipmate.

Two other servicemen, sweltering in their heavy wool coats on a warm spring day as they stopped at a cafe, confirmed the split along national lines.

"The fleet is Ukrainian," said an 18-year-old sailor from western Ukraine. "It should be Ukrainian and it will be."

His friend, a 19-year-old Russian from Volgograd, disagreed. "It should be a common fleet, as it was," he said. "Let it stay that way."

For many career navy officers, from Admiral Kasatonov on down, the most dreaded solution, and the most likely one, is a division of the fleet.

But in the meantime, negotiations between military experts over dividing the fleet have come to a dead end. The issue was not even discussed at the recent meeting of heads of the Commonwealth's 11 member states in Kiev, where many had hoped for a top-level decision on what most agree has become a political issue.

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STARRING ROLE IN THE CAMPAIGN — Glenda Jackson, who is running for Parliament as a Labor Party candidate, chatting with an elderly voter. The actress is trying to win the Conservative-held London seat of Hampstead and Highgate in the April 9 vote.

# Sinn Fein Strives to Keep Political Role

By James F. Clarity  
New York Times Service

BELFAST, Northern Ireland — Sinn Fein, the civilian wing of the Irish Republican Army, is struggling in the British parliamentary election to maintain credibility as a political force in Northern Ireland.

The campaign refocused attention on the personal background of Gerry Adams, president of Sinn Fein, and his No. 2, Martin McGuinness, both of whom are running for Parliament.

It also raises other basic questions: How close is Sinn Fein to the IRA? Could it actually broker a cease-fire or peace talks between Britain and the IRA? How rigid is the Sinn Fein-IRA demand of "Brits out," a policy denounced by the Protestant majority and many Catholics in Northern Ireland.

Announcing Sinn Fein's election program at a news conference here Monday, Mr. Adams emphasized that the party preferred a peaceful solution to the troubles, as the 23 years of conflict over Irish nationalism are known, but he declined again to denounce IRA violence.

Sinn Fein, Gaelic for Ourselves Alone, is seeking to increase its share of the general vote and to hold onto the one seat it controls, that of Mr. Adams in West Belfast.

The party is contesting 14 of the 17 parliamentary seats allotted to this British province of 950,000 Protestants and 650,000 Catholics.

In the last national parliamentary election, the party won 9 percent of the vote in Northern Ireland. This would seem to make it a negligible factor in the politics of the province, but its identification with the IRA enhances its importance.

Many people here say that if there is ever to be peace in Ulster, ending the violence that has killed nearly 3,000 people, the British government will have to agree to talk to representatives of the IRA. Sinn Fein casts itself unmistakably as eager for that role. But the British will not talk to Sinn Fein until it denounces the violence of the predominantly Catholic IRA, which is responsible for the deaths of some 1,600 people, including about 800 civilians.

Many people fear that if Britain withdrew the 10,000 troops and 6,000 reserves posted in Ulster province, a bloodbath would follow as the Protestant-dominated police and paramilitary forces would overwhelm the IRA, which has an estimated 400 active guerrillas.

Mr. McGuinness was an IRA military chief in the 1970s and is now banned, as a

terrorist, from entering other parts of Britain. He became active in Sinn Fein in the early 1980s. In an interview in Londonderry, he declined to discuss his IRA past, but he said that there was a contradiction in the British policy of refusing to talk to Sinn Fein until it denounces IRA violence.

"We want all violence to end," Mr. McGuinness said. But asked if he would condemn IRA violence, he said: "I will never do it in a million years. I would not condemn them, the people who offer resistance to British violence."

Over the weekend, after an IRA mortar attack in the town of Newry killed a police officer and blew the legs off his colleague, there was no comment from Sinn Fein. Such deaths are considered by the IRA and its supporters to be a justifiable part of their armed struggle.

Mr. Adams, who was a West Belfast bartender, was interned by the British for less than a year in 1971 as an IRA operative. British security officials say they believe that he has close contacts with the IRA military command, if he is not actually a member of it.

Mr. Adams is expected to win his seat at Westminster, but not to go to London to take it.

# Iraq Steps Up Attacks Against Kurds

By Chris Hedges  
New York Times Service

ASKI KALAK, Iraq — In apparent violation of the cease-fire agreement signed after the Gulf War, Iraqi military forces are shelling and shooting at thousands of Kurdish civilians along their front lines.

The attacks, against about a dozen small villages and towns along the Great Zab River, have forced the entire population of 40,000 people to flee their homes since last Wednesday, according to the United Nations High Commissioner for Refugees.

"The Iraqis have always lobbed a few mortar rounds now and then towards the Kurds," a UN official said, "but since last Wednesday they have been dropping up to 300 heavy artillery shells a day in the area. It is quite a dramatic increase."

The occasional burst of a 155mm shell shook the ground and sent a thick plume of white and black smoke skyward. With each blast the windows and doors in the houses along the road rattled and shook.

Allied forces set up a security zone after an abortive Kurdish uprising after the Gulf War. It was

created to convince 1.5 million refugees in Iran and Turkey that they could return home, and it roughly corresponds to Iraq's 36th parallel. The 15,000 allied troops that moved into the enclave last spring have been withdrawn, but the allies maintain a small military monitoring team in the town of Zakho, and their warplanes make daily flights over the area from Inadirik, Turkey.

The zone does not extend as far west as Aski Kalak, but Iraqi authorities must respect the rights of Kurdish civilians under agreements based on UN Security Council Resolution 688 that were worked out by UN officials in Baghdad after the war. The shelling is seen by many UN officials in northern Iraq as a violation of the cease-fire agreement.

While Iraqi Kurds struggle to defend their autonomous zone in the north, Turkish Kurds have been battling government troops to create a similar independent enclave in Turkey.

On Monday, Turkish warplanes struck four Kurdish villages in northern Iraq, wounding at least two people. The air strike, the fifth this month, was aimed at Turkish rebel bases along the border, the Turkish authorities said.

There are also 1,000 international and UN personnel in the north, including 500 highly armed UN guards, to help deter an Iraqi attack.

The failure of the allied forces to respond to the recent attacks has worried many Kurdish and Western officials, who say that unless a stern reprimand, threatening the use of force, is given to Baghdad it will continue to harass civilians living near the front lines and seize Kurdish-held territory.

# ZAIRE: A Country Stripped Bare and Left to Wither

(Continued from page 1)

local residents belie their poor nutrition. The capital's state-run hospitals are closed, and the patients have been sent home. Officially, this is because the doctors are on strike over their meagre pay, but they say it would not matter if they worked, since they have no medical equipment and no medicines.

Schools are closed because the teachers are on strike, from primary school through university level.

The public service sector, by and large, has ceased to function. There is a government, there are ministers and there even is an official budget, but there is an air of fantasy about it all, since the tax collection system has broken down and virtually no customs revenues are coming in. For the most part, the government has taken to paying its bills by printing fresh batches of currency.

According to foreign diplomats and Zairian opposition figures, bank notes in the local currency, the Zaire, are being printed in Germany and flown to Kinshasa's Ndjili Airport. There, the plane is

met by a helicopter that loads up with the new money and whisks it immediately to a yacht on the Zaire River that is the floating refuge of Mr. Mobutu. He has thus become a one-man central bank, dispensing cash as he sees fit — and that means making sure he meets the monthly payroll of key military units that ensure his grip on power.

The country's official banking system has all but collapsed. Customers are limited to withdrawals of about 100,000 Zaires each day; rampant inflation has reduced the value of this to the equivalent of about 75 cents.

One oasis of normality is the Kinshasa Intercontinental Hotel, where the city's few visitors can still dine in a posh restaurant and listen to the latest French and American music at the upstairs disco.

Since the rioting in September, most international airlines avoid Kinshasa's airport, once a commercial hub for Central Africa. International flights now land across the river in Congo, ostensibly because Lloyd's of London insurers have dramatically increased the rates for any planes landing at Kinshasa.

# Canadians Apologize On Jet Data

By John Cushman Jr.  
New York Times Service

WASHINGTON — Canadian officials have apologized for suggesting that the crash of USAir Flight 405 in New York last week might have been averted if federal aviation authorities had read a Canadian report concerning icing on the type of jet that crashed.

A Canadian official said that the authorities in the United States had not seen the report because the Canadians had neglected to send it.

In a letter to the Federal Aviation Administration, the Canadian commission investigating the crash of a jet three years ago in Dryden, Ontario, acknowledged that the commission had never sent its interim report to other agencies, although it is standard practice to do so.

The Ontario crash involved a Fokker 28, the same kind of jet that crashed at La Guardia Airport last week, and both planes took off in freezing, snowy weather after they were de-iced. Although the cause of the La Guardia crash has not been officially determined, icing of the plane's wings is the leading theory.

U.S. officials said it should not have been expected that they had studied the Canadian recommendations, because the report had not been officially sent to them.

A spokesman for the Air Line Pilots Association, the union representing U.S. pilots, said a union safety expert had obtained a copy of the report from a colleague.

But Patricia Goldman, a spokeswoman for USAir, said it appeared that no senior safety officials at the airline had received the report from the Canadians.

# Arabs Still Reject Israel Phone Ties

Reuters

NICOSIA — Arab states say they are still banning telephone contacts with Israel, and some have taken steps to cut off the direct-dial service that Israel introduced last week through three countries.

Israel's largely state-owned Bezek telephone company on Tuesday opened up direct dialing to 11 Arab countries that do not have relations with Israel. Except for Egypt, which signed a peace treaty with Israel in 1979, there are no direct lines between Israel and the Arab world. But Bezek has patched up automatic connections through companies abroad.

"Four separate companies in foreign countries are involved in completing the connections," said an Israeli Communications Ministry spokesman. He refused to identify them.

# WORLD BRIEFS

## Russia Assures U.S. on Atomic Arms

BRUSSELS (Reuters) — Russia assured the United States on Tuesday that a transfer of tactical nuclear weapons to Russia from other Commonwealth republics would be completed by July 1, despite apparent Ukrainian opposition.

Deputy Defense Minister Pavel Grachov said he made the promise to Defense Secretary Dick Cheney at a meeting on the eve of an East-West gathering of defense ministers.

Mr. Grachov said he also told Mr. Cheney that hundreds of warheads now in Ukraine, Belarus and Kazakhstan as well as those in Russia would be stored carefully until they could be destroyed. Ukraine has suspended the transfer of its weapons back to Russia, saying it had no guarantee that they would be destroyed.

## Thai Parties Back Accused Politician

BANGKOK (Reuters) — The two biggest parties in a pro-military coalition trying to form a government in Thailand expressed their support Tuesday for the prime minister-designate, a man once denied a U.S. visa because of drug-trafficking suspicions.

"Our party considers this controversy closed," said a spokesman for the Samakkhi Thum party, whose leader, Narong Wongwan, has been nominated to be Thailand's 19th prime minister by a five-party pro-military coalition. The No. 2 coalition partner, Chart Thai, also said it would stick by Mr. Narong.

The Samakkhi Thum spokesman said the issue had been closed Monday, when the U.S. State Department spokeswoman, Margaret D. Tutwiler, said that the United States was unlikely to document its case against Mr. Narong publicly. The spokesman said the U.S. report "showed that the U.S. does not have any evidence to substantiate its charges against Mr. Narong."

## Bosnians Discuss Regional Carve-Up

BRUSSELS (AFP) — Leaders of the three rival ethnic groups of the Yugoslav republic of Bosnia-Herzegovina began a second day of talks here Tuesday on proposals to divide the republic into a patchwork of ethnic cantons.

Diplomats said that the local Serbian leader, Radovan Karadzic, was least critical of the proposals, which were accepted in principle by the three groups earlier this month.

The Croatian leader, Milijko Brkic, said Monday that the republic could not be carved up into districts purely along ethnic lines, but that economic and historical factors had to be considered as well. The Bosnian president, Alija Izetbegovic, representing Muslims, took a similar line. Both men called on the Serb-controlled military to return to barracks.

## 3 Beaten at U.S. Embassy in China

BEIJING (Reuters) — At least three people have been viciously beaten by Chinese militiamen outside the gates of the U.S. Embassy in Beijing, according to an embassy spokeswoman who said the matter had been taken up with Chinese authorities. China's Foreign Ministry had no immediate comment.

In the most brutal incident, a Chinese man was knocked to the ground and kicked in the head until he bled profusely, a witness said.

It was not clear whether the victims were dissidents seeking visas for the United States among the hundreds of applicants who line up outside the embassy every day. The spokeswoman could not say when the attacks took place, or give other details.

## Mubarak Criticizes Fundamentalism

CAIRO (Reuters) — President Hosni Mubarak, in his most open attack yet on Muslim fundamentalism, has denounced people who use religious extremism and intellectual terrorism for "cheap political gains."

In a speech on the holiday of Lailat al Qadr, when Muslims celebrate the revelation of the Koran to the prophet Mohammed, he said: "They are not even alarmed when their illicit trade tarnishes the image of Muslims and weakens the status of the Muslim nation before the world."

Unusually, the audience interrupted Mr. Mubarak only once to applaud and listened closely as he read the carefully worded address, which did not mention any country or religious group by name.

## For the Record

Jamaica's sixth prime minister, P.J. Patterson, has been sworn in and has said he will uphold economic austerity policies. (AP)

# TRAVEL UPDATE

Strikes by Paris transport workers caused disruptions Tuesday on Line 1 of the Metro and Line A of the RER, the regional commuter express railroad. The one-day strike was called to protest the opening Wednesday of extensions of Line 1 to the modern business district of La Defense and of Line A to Chessy-Marne-la-Vallée, according to a spokesman for the Paris rapid transit authority, the Chesy, or Torcy, terminal will serve the Euro Disneyland theme park, which is scheduled to open April 12. Trade union officials have called for another strike on that day. (HT)

Japanese railroad workers began a 48-hour strike Tuesday in southern and western Japan, affecting about 1 million travelers. The strike was called to back demands for higher pay and better working conditions. It was the first since Japan National Railways, with its 277,000 workers, went private in April 1987, dividing into seven companies. (AP)

Japan Air Lines flight crews have threatened to strike in a pay dispute, a union official said Tuesday. "We have expressed our intention to go on strike," the JAL Flight Crew Union official said. A final decision will depend on the state of negotiations in mid-April. (Reuters)

# The Weather



Forecast for Thursday through Saturday

North America: Generally, chilly weather will continue through Friday and Saturday. A storm over Spain will move into the Mediterranean and the Atlantic. Seasoned. This rain will be cloudy with snow showers and. It may rain or snow briefly. There will be more sun Sunday than clouds from Los Angeles to Seattle and Vancouver.

Europe: A storm over Spain will move into the Mediterranean and the Atlantic. Seasoned. This rain will be cloudy with snow showers and. It may rain or snow briefly. There will be more sun Sunday than clouds from Los Angeles to Seattle and Vancouver.

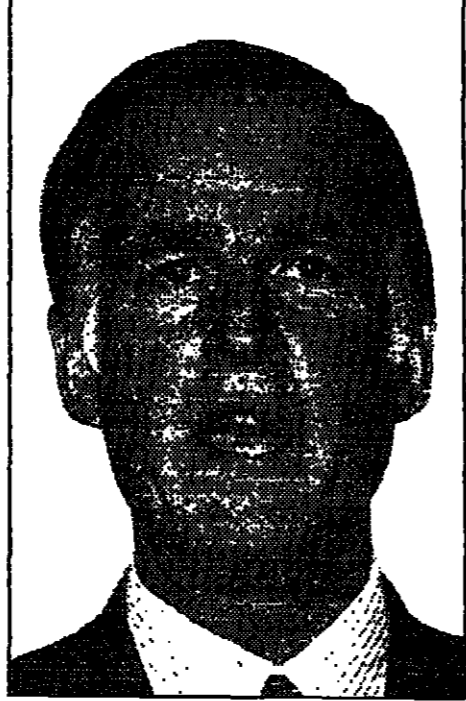
Asia: Mild, mainly dry weather is slated Thursday and Friday. A storm over Spain will move into the Mediterranean and the Atlantic. Seasoned. This rain will be cloudy with snow showers and. It may rain or snow briefly. There will be more sun Sunday than clouds from Los Angeles to Seattle and Vancouver.

City	Today	Tomorrow	City	Today	Tomorrow
Algeria	11/52 7/44	10/55 6/46	Bangkok	25/77 20/70	27/81 22/74
Ankara	7/43 2/25	8/48 4/39	Beijing	20/88 2/35	18/84 20/32
Antwerp	14/53 10/39	13/58 10/51	Hong Kong	21/76 18/64	22/71 19/58
Athens	15/53 11/43	13/55 10/46	Manila	24/80 21/70	24/83 21/73
Bahia	12/52 8/37	13/53 8/38	New Delhi	25/84 17/62	23/85 17/62
Bahras	17/52 13/42	15/47 11/37	Osaka	17/62 13/52	17/62 13/52
Bangkok	25/77 20/70	27/81 22/74	Shanghai	7/44 -1/31	8/43 -1/31
Batavia	12/52 8/37	13/53 8/38	Singapore	23/81 20/71	23/81 20/71
Bombay	25/77 20/70	27/81 22/74	Taipei	21/70 18/61	17/62 8/46
Buenos Aires	12/52 8/37	13/53 8/38	Tokyo	21/70 18/61	17/62 8/46
Burkina Faso	12/52 8/37	13/53 8/38			
Burundi	12/52 8/37	13/53 8/38			
Cameroon	12/52 8/37	13/53 8/38			
Canada	12/52 8/37	13/53 8/38			
Cape Town	12/52 8/37	13/53 8/38			
Cebu	12/52 8/37	13/53 8/38			
Chicago	12/52 8/37	13/53 8/38			
Cairo	12/52 8/37	13/53 8/38			
Calcutta	12/52 8/37	13/53 8/38			
Cardiff	12/52 8/37	13/53 8/38			
Canton	12/52 8/37	13/53 8/38			
Cebu	12/52 8/37	13/53 8/38			
Chengde	12/52 8/37	13/53 8/38			
Chongqing	12/52 8/37	13/53 8/38			
Colombo	12/52 8/37	13/53 8/38			
Copenhagen	12/52 8/37	13/53 8/38			
Dakar	12/52 8/37	13/53 8/38			
Dallas	12/52 8/37	13/53 8/38			
Damascus	12/52 8/37	13/53 8/38			
Dar es Salaam	12/52 8/37	13/53 8/38			
Delhi	12/52 8/37	13/53 8/38			
Detroit	12/52 8/37	13/53 8/38			
Doha	12/52 8/37	13/53 8/38			
Dublin	12/52 8/37	13/53 8/38			
Geneva	12/52 8/37	13/53 8/38			
Hankow	12/52 8/37	13/53 8/38			
Hanoi	12/52 8/37	13/53 8/38			
Harbin	12/52 8/37	13/53 8/38			
Hong Kong	12/52 8/37	13/53 8/38			
Houston	12/52 8/37	13/53 8/38			
Istanbul	12/52 8/37	13/53 8/38			
Jakarta	12/52 8/37	13/53 8/38			
Jeddah	12/52 8/37	13/53 8/38			
Johannesburg	12/52 8/37	13/53 8/38			
Kobe	12/52 8/37	13/53 8/38			
Kuala Lumpur	12/52 8/37	13/53 8/38			
Lagos	12/52 8/37	13/53 8/38			
Lima	12/52 8/37	13/53 8/38			
London	12/52 8/37	13/53 8/38			
Los Angeles	12/52 8/37	13/53 8/38			
Luanda	12/52 8/37	13/53 8/38			
Luoyang	12/52 8/37	13/53 8/38			
Manila	12/52 8/37	13/53 8/38			
Medan	12/52 8/37	13/53 8/38			
Memphis	12/52 8/37	13/53 8/38			
Mexico City	12/52 8/37	13/53 8/38			
Moscow	12/52 8/37	13/53 8/38			
Mumbai	12/52 8/37	13/53 8/38			
Myanmar	12/52 8/37	13/53 8/38			
Nairobi	12/52 8/37	13/53 8/38			
Nagasaki	12/52 8/37	13/53 8/38			
Nanking	12/52 8/37	13/53 8/38			
Nassau	12/52 8/37	13/53 8/38			
Norfolk	12/52 8/37	13/53 8/38			
Osaka	12/52 8/37	13/53 8/38			
Ottawa	12/52 8/37	13/53 8/38			
Paris	12/5				



CAMPAIGN BASICS / Edmund G. (Jerry) Brown Jr.

The Race So Far Democratic gaffly, running as a populist, beat the early odds with a victory in Colorado and a second-place finish in Michigan.



Profile Age 53. Son of a former California governor. Dropped out of Jesuit seminary to attend University of California at Berkeley, Yale Law School.

Verbatim "The reason why I believe so many people don't vote anymore is because they don't feel that their vote will actually add any difference to their lives. It's just another empty ritual that comes along and they don't want to take part."

On the Issues Economy: Favors eliminating the tax structure, including Social Security tax and excise taxes.

tax on business transactions, including retail sales—a national sales tax. Backs investing in space exploration, bullet trains, commercial shipbuilding. Wants to create 50 Urban Enterprise Zones where "generous" tax breaks will attract businesses.

A Fifth of Voters Found to Back Texas Billionaire

Los Angeles Times Service LOS ANGELES—Signaling dissatisfaction with the choices in the presidential contest, one-fifth of registered voters say they would support the Texas billionaire H. Ross Perot in a three-way race for the White House with President George Bush and Governor Bill Clinton of Arkansas, according to a new Los Angeles Times Poll.

registered voters now know enough about the industrialist to have an opinion of him. Mr. Perot, 61, who made his fortune building a computer services company in Texas, has said he will seek the presidency as an independent if volunteers obtain enough signatures to place him on the ballot in every state.

He led the first U.S. bombing raid on North Vietnam in 1964. The following year he was shot down over North Vietnam; he spent more than seven years in a prisoner-of-war camp.

Mr. Perot said he would name a permanent running mate by the time the Democratic and Republican parties held their political conventions this summer.

As Gotti's Trial Closes, A Caveat to Jury Prods Defense to Cry Mistrial

By Laurie Goodstein Washington Post Service NEW YORK—Pandemonium erupted in the closing minutes of the 10-week trial of John Gotti, a reputed criminal leader, when U.S. Attorney Andrew Maloney told jurors that they'd be "less than human" not to fear the man they are being asked to judge.

rebuttal to the closing arguments of the Gotti attorneys. "If you accept the proof of what you are dealing with here, the boss of a murderous, treacherous crime family, and his underboss," Mr. Maloney told the jury, "you'd be less than human if you didn't feel some personal concern."



Hillary Clinton wooting a voter in the New York subway. The state primary is April 7.

Mrs. Clinton in White House Post?

MILWAUKEE—Governor Bill Clinton apparently wants his wife, Hillary, to play a major role in the administration if he wins the election in November.

Mr. Clinton said during a question-and-answer session at the college that "there are worlds of things Hillary could do at a very high level in the administration."

U.S. Eases Desegregation Steps

High Court Lets Schools Achieve Integration Gradually

WASHINGTON—The Supreme Court ruled Tuesday that school systems can now be declared legally integrated in piecemeal fashion, clearing the way for an end to forced busing in some school districts where student integration has been achieved but where other aspects of a judge's order remain unmet.

In its second major school desegregation ruling in 14 months, the court also said a school district need not remedy demographic changes beyond its control that return some schools to predominantly one-race status.

Federal judges have used those categories routinely since a 1968 Supreme Court decision said they could help identify vestiges of the discrimination banned in the Board of Education vs. Brown ruling of 1954.

LIBYA: UN Council Votes for Air and Arms Sanctions

(Continued from page 1) ing, said the issue the council faced was whether "the international community is prepared to back up its own words with actions and demonstrate that it will protect itself against a state that engages in terrorism."

sanctions would directly hurt three of the instruments it uses to support international terrorism. But he indicated that the council would relax the air traffic ban against Tripoli to allow Libyan pilgrims to visit Mecca.

Although he did not say what evidence Britain wanted, he listed several Libyan arm shipments intercepted on their way to the militant Provisional wing of the Irish Republican Army as well as the fatal shooting of a policeman, Yvonne Fletcher, in 1984 by a gunman inside the Libyan Embassy in London.

Specifies on Sanctions

UNITED NATIONS, New York—Among the sanctions that the Security Council could impose on Libya: an air embargo, a ban on weapons trade and a reduction of Libyan diplomatic personnel. The resolution says all states shall take the following steps until Libya turns over suspects in the bombings of Pan Am Flight 103 and UTA Flight 772.

The requirement that Libya demonstrate its renunciation of terrorism by "concrete actions" has aroused speculation that the United States, Britain and France might demand names of terrorists trained and armed by Libya as well as details of past terrorist operations it was involved in as a condition for lifting sanctions.

AMERICAN TOPICS

Of Hollywood Fame And Oscar Awards

This week, with the announcement of Hollywood's annual Academy Awards, is as good a time as any to consider what Charlie Chaplin, Greta Garbo, Orson Welles and Marilyn Monroe have in common: None of them ever won an Oscar for best actor or actress. Nor, notes Janet Maslin in The New York Times, have Marlene Dietrich, Myrna Loy, Cary Grant, Barbara Stanwyck, Fred Astaire, Paul Newman or Al Pacino.

the real thing." Among the recipients of honorary awards are Cary Grant (1969), Orson Welles (1970), Charlie Chaplin (1971), Jean Renoir (1974), Barbara Stanwyck (1981), Paul Newman (1985) and Myrna Loy (1990).

Short Takes

With the Cold War over, Congress has ordered the army, navy and air force academies to reduce their enrollments of 4,400 students each by 10 percent over the next three years. And, starting in 1997, academy graduates will receive reserve rather than regular commissions. After at least one year of active duty they will compete for the more secure regular commissions with Reserve Officers Training Corps graduates of civilian colleges.

the shoe. A quick-release button makes the shoes easy to take off.

Cigars were once an ever-present part of American life, smoked at work and at home and bought by the boxful on just about any corner.

Ever since the administration of John F. Kennedy, intellectuals have been on the outside of the White House looking in. Mr. Kennedy, though making no claims to being an intellectual himself, was at home with them. His brain trust "emptied the Harvard faculty," as the historian Hannah Arendt put it. Presidents ever since have hired or hobnobbed with few or no intellectuals, whose best chance for a comeback is with Bill Clinton. He is not an intellectual, but a graduate of Yale law school and a Rhodes Scholar who, The Times says, "knows—and is known to know—intellectuals."

Justice Kennedy said the appeals court was wrong in stating that compliance must be achieved in all six categories. He said federal judges had the discretion "to order the incremental withdrawal" of their supervision over school district desegregation efforts.

The decision sends important new guidelines to federal judges supervising desegregation efforts in hundreds of school districts nationwide, many of which include massive busing of students.

By withdrawing control over areas where judicial supervision is no longer needed," Justice Kennedy said, "a district court can concentrate both its own resources and those of the school district on areas where the effects of discrimination have not been eliminated."

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CLINTON: Debating Challenge

(Continued from page 1)

plete profile of who he is and what he stands for," said James Carville, one of Mr. Clinton's senior strategists. "People can't react to information they don't have."

In his comments about media coverage, Mr. Clinton seemed to single out the New York City press, whose tabloid newspapers have given prominent display to negative stories about him. But he made it clear that they applied to newspapers, magazines and television elsewhere as well.

"I have been a punching bag in New York and all across this country," he said, when asked about the doubts voiced by New York voters about his candidacy. "How can people think anything different?"

his early 30s. He had said in an interview with the Daily News last week that he had "never broken the laws of my country."

If the disclosure becomes a political liability in New York, it seems most likely to result from Mr. Clinton's use of a technicality to avoid answering the question before he was forced on Sunday by a television interviewer to say whether he had ever violated another country's law.

Asked Monday whether he should have been forthcoming when he has been asked about drug use in the past, Mr. Clinton said: "No. In 1987, I said what I believe in. I think there is a limit to what people ought to have to say. But I am running for president now. People finally asked me a direct question. I gave them a direct answer."

Mr. Clinton's advisers fear that the way his drug use became public could contribute to doubts about his credibility.

SPORT la collection Van Cleef & Arpels PARIS GENÈVE BRUXELLES ZÜRICH MONTE CARLO MILANO ROMA BIELLA MILLS TOKYO NEW YORK PALM BEACH OSAKA TOKYO SINGAPORE

ACROSS 20 Ugandan exile 23 Biblical king 24 Kite or Pate 4 Avena sativa 7 Floor at the N.Y.S.E. 10 Anaconda 13 Jack Dempsey, the Mauler 15 They mangle 17 Boyer-de Haviland film 19 People held in custody

DOWN 1 L.B.J.'s successor 2 Assembly-line org. 3 Bambi's aunt 4 Hoses, Douay spelling 5 English ethnographer Frederick 6 Japanese mat 7 Pack-a-lunch

The WABC survey was conducted before Mr. Clinton acknowledged Sunday that he had experimented with marijuana while he was a Rhodes scholar in England in



OPINION

The Libyans Had Accomplices

By A. M. Rosenthal

NEW YORK — About the... the full truth, not just the part being recited at the United Nations?

tion. The Syrian-based terrorists planned it. Libyans were brought in for the kill — the physical planting of the bomb.

Vincent Cannistraro headed the CIA's investigation in the first years, until he left the agency in 1990. He says that the Jebel group was central to the operation.



OUR INTELLIGENCE SAYS IF WE MAKE IT THROUGH THE PRESIDENTIAL CAMPAIGN, WE'RE PROBABLY SAFE FOR ANOTHER 4 YEARS...

The Talk in the Hot Tub Was of Distant Worlds

By Nancy Bekavac

C LAREMONT, California — After my first day of skiing in two years I took my sore muscles down to a hot tub at the ski resort I was visiting.

A few minutes later I was joined by a lean, muscular man in his early 20s, with a shoulder tattoo shaped like an anchor.

"Yes," he said, a little flatly. "Where were you stationed?" "A couple of places. First we were near a city in the north, then they moved us back to the ships.

"So you were with an artillery unit?" "No, a gunship crew." "Hueys?" "Cobras. I was a door gunner."

"Did you see any combat?" "Yes." Again, flat with a little intake of breath. "Out over the highway?" "Yes. Softly. I don't like to talk about it. But how do you know about Hueys and Cobras?"

Exactly. What's a middle-aged woman in a hot tub doing talking about Hueys? Or firepower? Long ago and far away, in a war that was ending as this man was being born, I had been a reporter in Vietnam.

And I had asked those questions of other marines, with shaved heads and "Semper Paratus" tattoos, who answered with the same resigned puzzlement.

I tried to explain. I tried to ask him questions, but mostly he wanted me to talk about Vietnam, about what it was like.

"It's funny talking about this with you," he said. "I can't talk to my classmates. Or even my brother, or the folks I'm here with. They all seem so young and so irresponsible. I just can't talk to them."

I told him how I had come back home to go to school. I had not found any way to talk about it with my classmates, whom I alternately fought with and ignored.

Then a friend of a friend had come up to me in the library. He had been with Stars and Stripes; he understood. From then on I had an ally.

The young man said he had one friend, a Vietnam veteran. Clearly, he had found a bond and an understanding no one else could give him.

"Sometimes things just remind me," he said. "I can't help it." "Right," I said. "Like smells. For me, I always think of Vietnam when I smell charcoal fires and manure. And fish sauce."

Looking down, he said: "It's diesel fumes that remind me. One night when I was driving home I passed this Sabn on the highway. It was on fire. And it all came back."

There it is, as the marines used to say. Car wrecks that pull you back to a war, another country. We chatted a little more and he said: "Will I get over it? Why can't I just forget it?"

"You wouldn't want to be the kind of man who just forgets it," I said. "You'll remember. Not all the time, every day. But you'll carry it with you."

I knew I was talking mostly to myself. Vietnam is somewhere in the core of me. Like a sounding board tuned to one low chord. It is something I share with some of my generation; even we talk about it carefully.

Each generation has its war. And each generation thinks it will be the last to have one. Your war stays with you, part of how you see the world. The young man wondered whether there is something wrong with him, with his sense of suspension. I tell him not to worry, it is like this with every returning soldier.

In Vietnam the return was called "going back to the world." As though the war were another planet, another world. Which it was.

The writer is president of Scripps College. She contributed this column to The New York Times.

LETTERS TO THE EDITOR

Volunteers for the UN

Regarding "New Age for the United Nations, Members Willing" (Opinion, March 12): Stephen S. Rosenfeld's encouraging article notes that among the preoccupations facing the new United Nations secretary-general are using the organization's resources efficiently, meeting the bills for peacekeeping and, in general, "toning up" the United Nations for the new age.

Profoundly relevant to this, and to an enhanced UN role in conflict resolution and the building of democracy, is the fact that more than 10 percent of the UN humanitarian workers in postwar Iraq have served on volunteer terms. The same will apply in pre-election Cambodia.

The UN volunteers come from 110 countries. Yet they are but a small fraction of the talented professional women and men around the world who would be prepared to serve the organization with utmost competence and commitment.

Mobilizing such people can be one way to draw on the enormous reservoir of goodwill for the UN in every country, now, as never before, is the moment to tap this.

BRENDA GAEL McSWEENEY, Executive Coordinator, United Nations Volunteers/UNDP, Geneva.

store American economic and political strength. A strong America means prosperity and hope for the world; a weak, depressed America means disaster for all.

DOV SELTZER, Rome.

Legalizing Drugs

Regarding "The Drug Problem Needs Attention" (Opinion, March 14) by A. M. Rosenthal: Indeed it does, and that is no criticism of the therapeutic communities that he himself concedes, these communities will not end the drug problem. So what will?

Mr. Rosenthal ridicules the notion of legalization. Yet, as shown by the billions spent ineffectually through the years and by the continuing spread of drug use, we will not rid ourselves of this horror unless the enormous profit is taken out of drugs. Once that is done, the worldwide drug mafia — from multimillionaire bosses to small-time pushers — will collapse.

There is no proof that legalization would increase drug use. Even now, anybody who wants drugs gets them, if necessary by theft or prostitution. The problem is not

only the clogged jails and hospitals. The problem waits for all of us, in a dark side street, in the subway, even in broad daylight.

Once this problem is corrected, the billions now spent uselessly can be put into the service of therapeutic communities, whose lack of funds Mr. Rosenthal deploras.

LEONORE SUHL, Portimão, Portugal.

Silence Over Burma

Regarding recent comments on repression in Burma: The military junta of Burma has now turned its brutal attention to the poor Muslims in the coastal region of Arakan. This in itself is not surprising. What is surprising is the deafening quiet of the leaders of the "new world order." Is it based on principles or expediency? Why has

President George Bush not done or said anything to stop the madmen? Ignoring these atrocities is tantamount to condoning them.

M. SAKWAR, Tokyo.

What the Tswanas Want

Regarding "A Bit of Solace for the Afrikaner" (Meanwhile, March 25): In his original and perceptive article, Peter Honey says that two non-white groups, the Zulus in Natal and the Tswanas in Bophuthatswana, "crave minority identity" and have no wish to be "forced to assimilate" into the greater nation. "Americans, more than most, should understand that," he concludes.

He is right. These are also the sentiments of so many minorities in other parts of the world. As for the Tswanas, recent histo-

ry has left them disillusioned. In the 19th century, the colonial British betrayed their solemn promises and incorporated Tswanas lands into South Africa. When it suited Pretoria to restore the Tswanas' independence, in the mid-'70s, only half the former lands were returned. No wonder Tswanas prefer to decide their own future. Who can blame them?

Incidentally, the Tswanas' wish for self-determination surely doesn't merit the label "intransigent," does it? Nor does the Zulus'. It is just that no one has shown much interest in what we want. Our view is that the ballot box should decide our future, not ideologues doing deals in smoke-filled rooms.

ANTHONY MCCALL-JUDSON, Bophuthatswana International Affairs, London.

GENERAL NEWS

Foreign Minister of India Resigns Amid Allegations in Bribery Case

NEW DELHI — Foreign Minister Madhavsinh Solanki resigned Tuesday over allegations that he tried to stall an investigation into the Bofors bribery scandal, which tainted the administration of former Prime Minister Rajiv Gandhi.

Parliamentary Affairs Minister Ghulam Nabi Azad announced in the Lok Sabha, the lower house, that Mr. Solanki had submitted his resignation to Prime Minister P. V. Narasimha Rao.

The resignation letter, in which Mr. Solanki accepted "moral responsibility" for his conduct, was forwarded to President Ramas-

wamy Venkatarman, which meant it had been accepted. Mr. Solanki was strongly criticized in Parliament this week, accused of asking Swiss authorities to go slow in determining the owners of secret bank accounts into which kickbacks from the Swedish arms manufacturers AB Bofors were paid. Investigations had determined that Bofors had deposited about \$53 million into secret Swiss accounts. The names of the holders of the accounts have never been publicly disclosed.

The minister said he had handed over a note — from an Indian lawyer whose name he said he could not remember — to Swiss Foreign Minister Rene Felber in January that gave details of the case. Mr. Solanki said he kept no copy of the note. Opposition members asserted that he had advised Swiss authorities to slow down investigations.

"I now regret that I handed over this note, which has caused embarrassment to me and created an avoidable misunderstanding," Mr. Solanki told Parliament. The kickbacks scandal erupted in 1987, when Swedish radio reported that Bofors paid bribes to officials in Mr. Gandhi's government to secure a \$1.3 billion artillery contract.

(Reuters, UPI, AFP)

Will the Messiah Come Now?

By Jackson Diehl

KFAR HABAD, Israel — Twice in the last four years, the Brooklyn-based leader of the ultraorthodox Lubavitcher movement of Judaism, Rabbi Menachem M. Schneerson, has tipped the precariously balanced scales of Israeli politics decisively toward the right.

Now, as a potentially crucial Israeli election approaches, the 89-year-old rebbe, as the sect's spiritual leader is called, has played a wild card. Several weeks ago, Rabbi Schneerson, who has never set foot in Israel, authorized his followers to build a home for him here, near the red-brick duplicate of his urban Brooklyn headquarters that already appears in the peripheral vision of drivers on the Tel Aviv-Jerusalem highway like a bizarre mirage.

For the scores of thousands of the rebbe's followers here and elsewhere around the world, the preparation of the home has a cosmic significance. The reason is simple: For the last several months, Rabbi Schneerson has been publicly predicting the imminent arrival in Israel of the messiah who will redeem Judaism and the world.

The messiah, the rebbe's followers say, is none other than Rabbi Schneerson himself. And the world's redemption, they add, could take place as early as next month — perhaps on their leader's 90th birthday, April 14, or at the beginning of Passover, three days later.

The fact that Rabbi Schneerson had a stroke earlier this month seems to have done nothing to dampen these expectations. In that context, the Israeli elections scheduled for June 23 understandably have little appeal for a movement that just two years ago single-handedly blocked a Labor Party attempt to remove Prime Minister Yitzhak Shamir from office.

followers live may anger — if nothing else — a significant change in the power that religious parties wield in Israeli politics. Before the last general elections in 1988, Rabbi Schneerson ordered his followers to vote en masse for the Agudat Israel religious party, which bolstered its representation in the Knesset, or parliament, from two seats to five.

Overall, religious parties increased their share of the 120-member Knesset from 12 to 18 seats in that election, which made them the kingmakers in a body otherwise deadlocked between the right and left.

After Rabbi Schneerson blocked a deal between Agudat Israel and the Labor Party leader Shimon Peres in 1990, the Orthodox religious parties joined a rightist government headed by Mr. Shamir, and over the last few years have extracted huge increases in government funding for their private schools and social institutions.

This year, the power of the religious parties seems sure to decline. Since the last nationwide ballot, about 400,000 overwhelmingly secular Soviet immigrants have poured into the country.

Meanwhile, outside experts are saying that Habad's messiah campaign signals a potential collapse in what is probably the world's best-known and most influential ultraorthodox movement. "If Passover comes and goes without Schneerson revealing himself as the messiah," said the Hebrew University sociologist Menachem Friedman, "Habab will find itself in a very deep, deep crisis."

Already, Habad and its leader are under fire from other Orthodox leaders. Rabbi Eliezer Schach, the 96-year-old leader of the "Lithuanian" school of ultraorthodox thought, recently delivered a blistering public attack on Rabbi Schneerson's predictions and said Schneerson followers were not observant Jews.

To counter Habad's advertising campaign here, which features billboards and bumper stickers with the slogan "Prepare for the messiah," Rabbi Schach's adherents have distributed their own bumper sticker: "Prepare for the False Messiah."

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# Moscow's Stake in IMF Is Set

**Reuters**  
**WASHINGTON** — The International Monetary Fund praised Russia for its tough economic policy on Tuesday and took a major step toward making Moscow eligible to borrow billions of dollars in IMF loans.

The monetary fund's board agreed to give Russia a 3 percent stake when it joins the organization, probably late next month. That would make Russia eligible to borrow about \$4 billion annually to support its changes.

Urging Russia to push ahead rapidly to overhaul its economy,

the monetary fund's managing director, Michel Camdessus, said: "The IMF commends the government of the Russian Federation for launching a bold and comprehensive economic reform program."

The program represented a major step toward a market economy and macroeconomic stabilization, Mr. Camdessus said.

"If fully implemented, it will lay the foundation for an economic program that the IMF could support with its financial resources once Russia becomes a member."

Although Russia is not yet a member of the monetary fund,

Russian experts have worked closely with its staff in mapping out a program to shift the Russian economy to capitalism.

Russia has freed most prices from government control, allowing them to shoot upward. And it has slashed its bloated budget deficit, particularly spending on the military.

To help buttress the changes, President George Bush is expected to unveil a major program of support on Wednesday.

Mr. Bush's plan is likely to include an appeal for congressional passage of a \$12 billion U.S. contribution to the fund.

# RUSSIA: 18 of 20 Regions Sign Treaty of Federation

(Continued from page 1)

treaty negotiations, said. "We managed with only minor losses" to persuade the regions to join in.

"Up to this moment, up to this evening, we went down — endless disintegration, a growing rank of problems and internal conflicts," Mr. Stankevich said in an interview. "I hope that this is a real turning point — that there was a time to cast stones, and now it is time to gather stones."

Even after the disintegration of the Soviet Union into 15 separate countries, Russia remains the largest nation in the world, its vast territory spanning 13 time zones and holding huge shares of the world's oil, timber, metals and other wealth. It also remains home to more than 100 nationalities, many with their own languages and their own "autonomous" republics, granted in previous years by the Soviet Union in an empty show of respect for ethnic rights.

Now, with central authority collapsing amid economic depression and political confusion, dozens of

regions, districts, nationalities and semi-autonomous republics have been staking bolder and bolder claims to sovereignty and independence, seeking to practice what Communist authorities hypocritically preached. Even some Siberian leaders have been agitating for secession as part of a Far Eastern Republic.

Other new nations of the former Soviet Union, including Ukraine, Moldova, Azerbaijan and Georgia, face similar challenges within their borders, mirroring the centrifugal forces that tore the Soviet Union apart and leading already in some cases to considerable loss of life.

The federation treaty represented an important political victory for Mr. Yeltsin coming on the eve of a session of the Congress of People's Deputies, the nation's supreme legislative body. The Congress, scheduled to convene next week, is expected to provide a forum for opponents of Mr. Yeltsin's program of economic reform.

The treaty was signed Tuesday by representatives of 18 ethnic re-

publics, 10 ethnic districts, 1 ethnic area — the Jewish Autonomous Region — 49 administrative regions and 2 cities, Moscow and St. Petersburg. Two oil-rich regions, the Chechen Republic and Tatarstan, refused to sign.

As if to underscore the dangers inherent in dissolution, a small-scale civil war resumed Tuesday in the Chechen Republic, a Caucasian region that declared independence in November. Troops opposed to General Dzhokar Dudayev, leader of the breakaway republic, took control of the local radio and television station after a battle that left one person dead and one wounded, according to local reports.

General Dudayev promptly declared a state of emergency and Tuesday evening his national guard troops stormed the station with armored personnel carriers and grenade launchers and recaptured it, according to wire reports. Five people were reported killed in the counterattack.

General Dudayev's opponents



Mr. Yeltsin signing the federation treaty Tuesday in the Kremlin.

are demanding a referendum on whether the Chechen Republic should remain part of Russia.

Tatarstan approved a referendum on sovereignty earlier this month, although its leaders have said they are not seeking total independence. Senior officials of the republic are in Moscow seeking to negotiate a separate treaty.

# MADRID: Spain Embraces Jews, 500 Years Later

(Continued from page 1)

memorate not only the expulsion of the Jews but also their Spanish cultural, scientific, medical and economic legacy.

Some Jewish leaders had expressed hope that Juan Carlos might use the anniversary to apologize for the expulsion, but instead he was more oblique, conceding that Spain has known moments of "splendor and decadence, periods of profound respect for freedoms and others of intolerance and persecution for political, ideological and religious reasons."

Mr. Herzog evoked this bitter-sweet past before the congregation of Spanish and foreign Jews when he noted that "in our collective memory we recall not only Spain of the Inquisition but also the Spain in which for centuries a magnificent Jewish culture flourished, creating fundamental works of theology, philosophy and literature."

The expulsion edict came after similar orders in England in 1290

and in France in 1394 and was followed by Portugal's eviction of the Jews in 1496, but the flight from Spain was by far the most disruptive because Jewish communities were larger and more settled here than anywhere else in Europe. From around the 10th century, Jews grew in influence, with Jewish diplomats, jurists, translators, financial experts and men of letters often linked to both the Spanish courts and Arab rulers. There were large Jewish communities in Toledo, Burgos, Sevilla, Gerona and Zaragoza and in many areas Jews, Christians and Muslims lived in harmony.

By the 14th century, however, resentment against Jews became apparent, exploding in pogroms in many cities in 1391 that resulted in the deaths of tens of thousands of Jews. And as 15th century advanced, with reform in Northern Europe shaking the Roman Catholic church, the Jews came under strong pressure to convert to Christianity.

Many thousands did convert, but in 1478 the Inquisition was created with the idea of imposing religious unity on Spain. With the church accusing the Jews of proselytizing among converts, in 1492 they were ordered by Ferdinand and Isabella to live in separate areas and in 1493, to leave Andalusia. With the fall of Granada and the eviction of the Muslims, the inquisitor-general, Tomás de Torquemada, began demanding the expulsion of the Jews from Spain. Records show that the monarchs were at first reluctant to go that far and publication of the expulsion order itself was delayed for one month. By early May, though, it was law.

The edict implicitly gave Jews the choice of converting or leaving and some, including one of the court's principal tax advisers, Abraham Senior, did opt to become Catholics. The vast majority of Jews,

however, decided to leave, forced to sell or abandon their property and taking only the belongings they could carry.

Spain turned its back on this past until new interest in its Jewish heritage led to revocation of the expulsion edict in 1869. During World War II, despite sympathizing with Nazi Germany, the Franco dictatorship also gave refuge to Jewish fugitives and this was recalled with gratitude by Mr. Herzog.

After the war, some European Jews migrated to the Barcelona area, while the first Sephardic Jews returned after Morocco became independent in 1956, with most moving to Andalusia. In 1967, freedom of worship was proclaimed and, the following year, the Madrid synagogue became the first new synagogue to open in Spain since 1492.

# 31 Nations Vow To Aid Cambodia

(Continued from page 1)

**TOKYO** — Representatives of 31 nations have agreed to provide aid for Cambodia as long as a new, freely elected government takes office and peace is sustained, Japanese officials said Tuesday.

The agreement came at a two-day meeting to prepare for a conference in Tokyo in June to work out aid commitments and details of Cambodian reconstruction, the Foreign Ministry officials said.

The United Nations has estimated that Cambodia will need at least \$800 million before elections scheduled next year and substantially higher amounts for reconstruction after that.

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# Modrow and 3 Aides Are Indicted for Fraud

(Continued from page 1)

**DRESDEN** — The former East German prime minister Hans Modrow was indicted Tuesday on charges of election fraud along with three other former Communist officials.

Mr. Modrow was head of the Communist Party in Dresden at the time of the May 1989 elections that were manipulated to favor the then-ruling Communists. The fraud led to unrest that contributed to the ouster of the hard-line Communist Party leader, Erich Honecker, and his government in October 1989. Mr. Modrow was caretaker premier until East Germany's first free elections in March 1990.

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# Germany

## Europe, Apple Pie And the D-Mark

Is the National Symbol in Danger?

By Josef Joffe

**M**UNICH — Unlike Margaret Thatcher, German politicians are no Brussels-bashers. Teachers' pets in the European classroom, they have always been eager to excel in their homework and to pledge allegiance to the blue-and-gold flag of the European Community. But something has happened on the way down from the Maastricht summit in December, where the Twelve laid down the timetable for a more perfect union — above all, a monetary union. The Germans have begun to worry and to waver, and that, coming from the most potent member in the club, will rattle the tracks more loudly than all of Mrs. Thatcher's blarney put together.

Take Herr Garweiler of Munich, who recently assimilated the Maastricht process as a "totalitarian dream," while mocking its key component, a common currency by 1999, as "Epezzanto money." (The quip goes back to De Gaulle, who jeered that Europe would end up speaking Volapük if the Eurocrats had their way.) Who is Peter Garweiler? No Mr. Big, if you compare him to Chancellor Helmut Kohl, who likes to confess that he has only one dream left: "to put the European train on track in such a manner that it will only be able to roll forward."

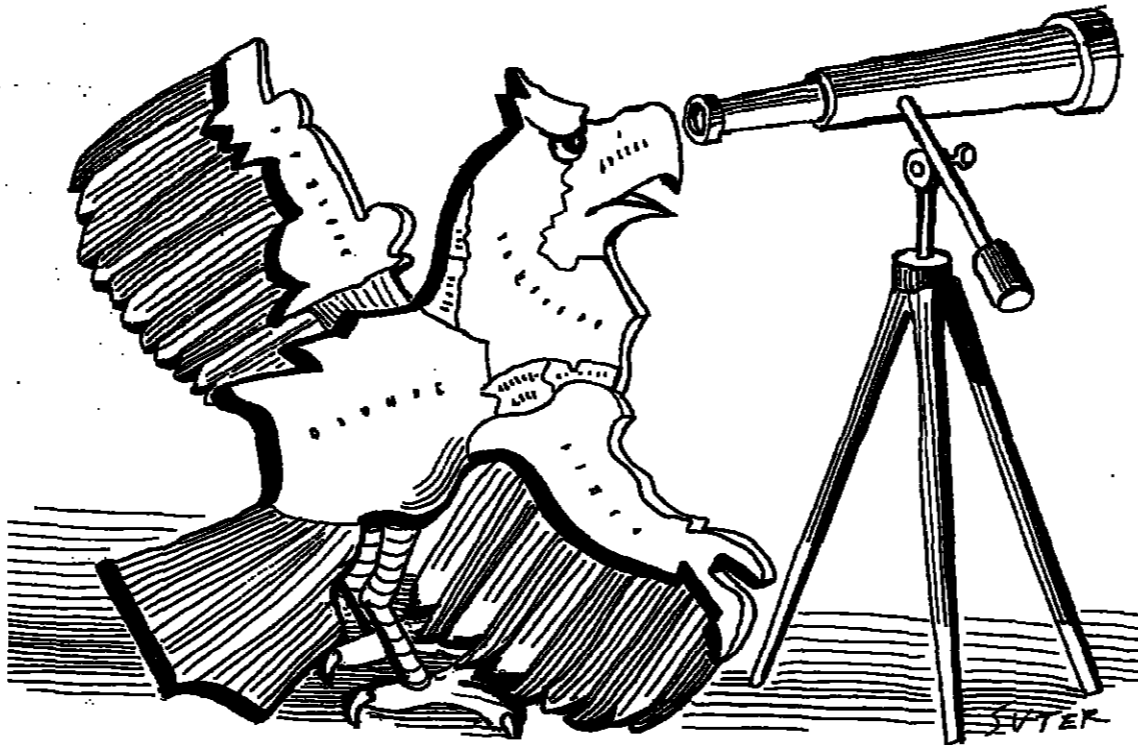
But then, Mr. Garweiler is no beer hall politician, either. He is the environment minister of Bavaria and a rising star of the Christian Social Union, Mr. Kohl's junior partner in Bonn. His ambition is to inherit the mantle of the late Franz-Josef Strauss, and he has the political talent to go with it. To do so, he must first topple Theo Waigel, the CSU party boss, who is also finance minister in Bonn.

And lo, Herr Waigel soon thereafter trimmed his European sails. If it is going to be a common currency, he opined, it might just as well be called "Eurozmark," to be managed by the Eurobank, located — where else? — in Frankfurt. Blips on the screen, you might say, but these two gentlemen know an issue when they see one. As does Oskar Lafontaine, the once and perhaps future

Continued on page 9

### INSIDE:

- Germany's economic weight is spreading in Eastern Europe despite the misgivings of this "natural market." Page 8.
- The economy has suffered three quarters of falling growth and a long slump is not out of the question. Page 9.
- Berlin hopes that its economic expansion will help pay the bills as the costs of unifying the city mount. Page 10.
- Carmakers have begun to worry about high production costs and many of the big names are trimming their work forces. Page 11.
- The European Union faces the issue of whether reunified Germany should get more seats. Page 11.
- Research funds are flowing generously to Eastern Germany, but the West is also exporting its problems in this area. Page 12.
- A decentralized theater, characterized by the repertory system, offers variety to the public and work to the artists. Page 12.



## The Limits of the German Model

By Joseph Fitchett

**B**ERLIN — Officials in this capital-in-the-making are fond of saying that Germany, now it is unified, has become a European country like any other. Does that normality imply conversely that the rest of Europe is liable to become increasingly like Germany?

Other Europeans have learned to doctor their currencies with German-style anti-inflation remedies, but they are only now having to come to grips with the other key parameters of the German model: a decentralized political structure and a doctrinal aversion to government intervention in business.

These tenets are more troubling, partly because they are not always what they seem to be, partly because they clash with the political cultures of major European Community nations.

After admiring the German example from a safe political distance in the 1980s, the problem of dealing firsthand with Bonn's orthodoxies has been a bruising experience for diplomats, who

found their arms being twisted publicly over recognition of Slovenia and Croatia.

Perhaps even more in business, German decision-makers have an ingrained sense that their way is the right one, a pride perhaps understandable in light of their enviable record in managing their economic and political interests.

Ironically, Germans' self-satisfaction does not necessarily mean that they are trying to colonize others. Rarely, says a British diplomat, are Germans "consciously preaching to other countries and companies, but they often sound hegemonic because they are not yet very sensitive to apprehensions about their way of wielding power."

Partly because Germanic thoroughness means taking ideas to logical fulfillment, Germans often seem intimidatingly bent on promoting their political and economic model for Europe — perhaps more than they actually mean to do.

Currently, Germany's industrial and social market-philosophy is enjoying a flattering flurry of interest on the part of France's ruling Socialists and Brit-

ain's opposition Labor party, which also professes admiration for the German electoral system of proportional representation to ensure a maximum of democratic participation in the quest for a national consensus.

In the longer run, however, the unique features of the German model seem unlikely to make much headway in other major EC nations. For example, Germany's vision of a "federal" EC raises hackles because Britain, France, Italy and Spain all have major problems with separatists.

The German commitment to federalism is rooted in strong decentralization imprinted on postwar German democracy; in four decades, it has produced an equilibrium because a light political superstructure can efficiently manage a highly cohesive, even conformist, society.

This unique social bedrock explains why Germans are able to practice a national style that many foreigners admire but few can emulate.

For anyone used to working in Paris,

Continued on page 8

## As It Takes Center Stage, Nation Is Unsure of Role

### Economic Power Faces the Challenge Of Europe's New Political Landscape

By Richard E. Smith

**F**RANKFURT — The triumph of economics over politics at the end of the Cold War has thrust Germany, Europe's economic giant, toward a new role at the center of a Continent striving to create the world's largest single market.

But Germans, not to speak of their neighbors, are having trouble figuring out what that role should be for a nation that has done so much to alternately build and destroy the Continent over the past century. At the same time, Germany will be gradually molding the New Europe in its own image in several key ways.

For the present, some Germans seem nostalgic for the easier times and easier choices before the fall of the Berlin Wall.

When Europe's tectonic plates were locked firmly in place by the Iron Curtain, West Germany was able to devote nearly its full attention to methodically creating the Continent's largest economy, the world's largest export machine and one of its most stable currencies.

But the revolutions of 1989 have redefined the meaning of power in Europe with arresting speed.

In the East, Mikhail Gorbachev's dismantling of the Berlin Wall and European communism in general has defused the Continent's major political confrontation and opened up an area for economic development that spans 13 time zones.

In the West, Jacques Delors's vision of the European Community looks set to proceed much more rapidly toward economic than political union.

Suddenly finding itself with the strongest hand to play in both directions, with the United States inviting it to take a larger role and with the rest of Europe half expecting and half fearing that it will, little wonder that many Germans are confused and hesitant.

"Whatever Germany does, it gets criticized," wails the daily Frankfurter Allgemeine Zeitung. "The Germans have always done well when they do not use all their weight," cautions the weekly Die Zeit.

In a celebrated survey, poll-takers found that Germans most admired Switzerland as a role model, so tidy, manageable and apart.

"The self-image is trailing behind the reality and behind the perception abroad," said Ekkehard Selbert, economist with Deutsche Bank.

Not surprisingly, the self-doubts are most clearly visible in the political sphere. A key experience was Bonn's decision to step beyond the decision of the European Community in regards the Yugoslav quagmire by moving to recognize the breakaway states of Slovenia and Croatia.

But the storm of controversy in an area where German diplomacy had contributed to violence in both world wars brought into stark relief the dilemmas of any unilateral German political action.

**H**ANS-Dieter Genscher, Germany's long-serving foreign minister, is trying to find economic solutions to preempt political crises in Eastern Europe and the former Soviet Union. Along with other German politicians, he is encouraging other nations to invest as much as possible to foster the creation of stable democracies so that Germany will not find itself at the front line of chaos or violence in the East.

Mr. Genscher has been notably active in trying to mediate the conflict between Tokyo and Moscow over Russia's possession of the Kuril Islands, the issue which is preventing billions in Japanese aid from flowing to Russia.

But although the Germans may not know what they want or what they can do politically, they know only too well what they want economically: to build Europe's economy in their own image.

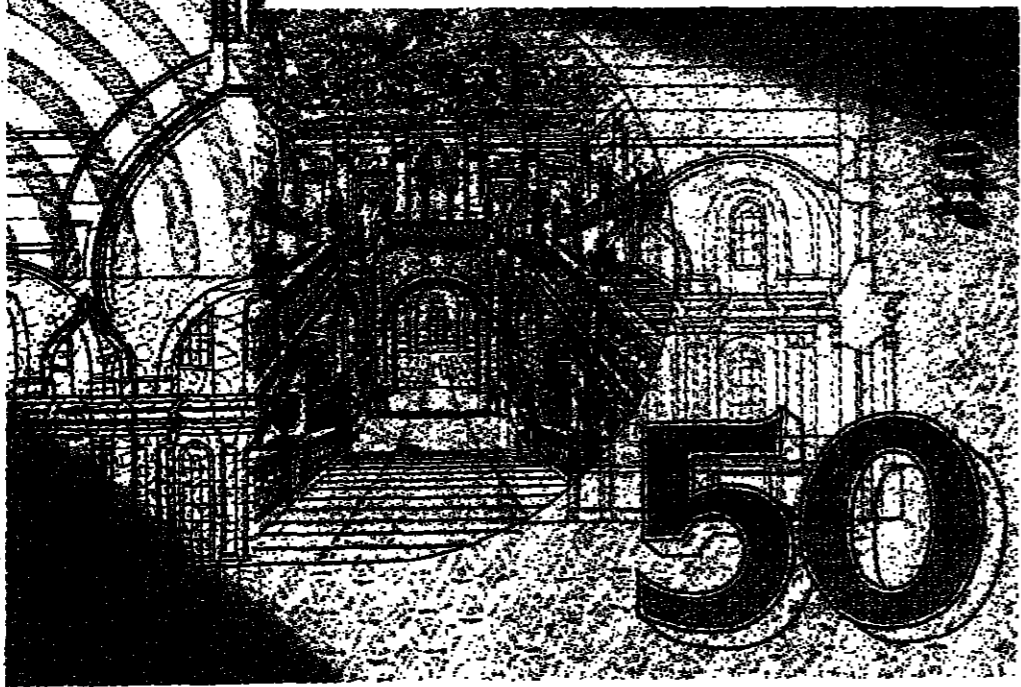
The Bundesbank did a good deal to mold the foundations for the planned European Monetary Union and its central bank but this has not prevented the eruption of a lively debate in Germany about the wisdom of economic union with its neighbors.

The main point of contention is the mark, symbol of stability and the passport to postwar prosperity. Horst Köhler, state secretary in the German Finance Ministry, said recently that the mark was no less than "the absolute essence of our political and economic meaning, of our self-confidence."

The boulevard press agrees and has launched volleys of panicked headlines accusing...

Continued on page 10

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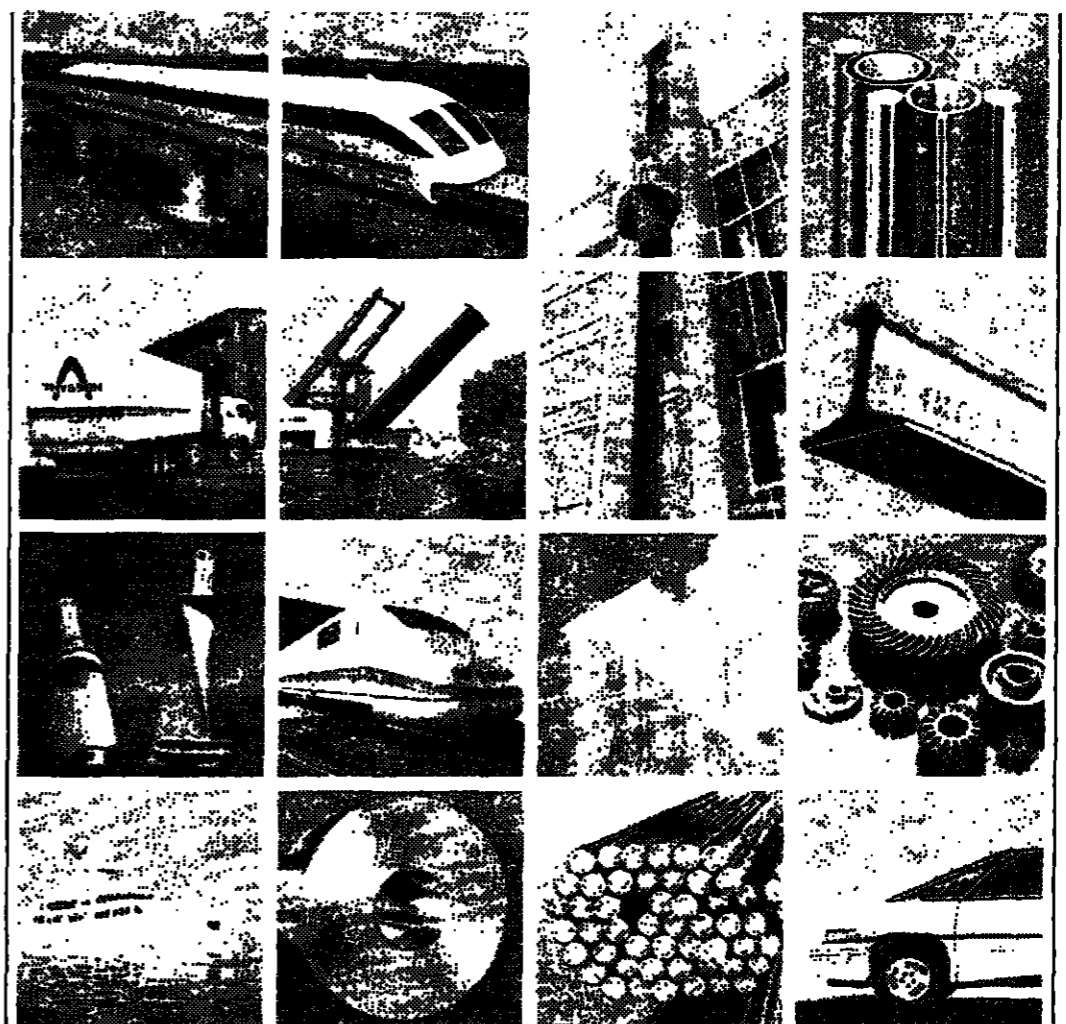
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# Economic Weight Spreads in East Europe

## Need for Foreign Capital Overrides Misgivings of Germany's 'Natural Market'

By Tom Redburn

**B**ONN — When Chancellor Helmut Kohl went to Prague late in February to sign a friendship treaty with Czechoslovakia's president, Vaclav Havel, it was supposed to signal the end of an era. "We have stood over too many graves and shed too many tears," Mr. Kohl said.

But even as the two leaders were trying to put the bitter memories of World War II behind them, some Czechoslovak politicians were expressing growing fears of a new German invasion — this time, not of tanks and soldiers but of money and industry.

"We have to ask, what is German capital?" Petr Pithart, prime minister of the Czech republic, queried in demanding a review of plans by Mercedes-Benz AG to acquire two truck manufacturers. "Does it have the same geopolitical context as in the 1930s?"

Whatever the misgivings, however, Germany's expanding business reach into Eastern Europe offers the region its only realistic hope for emerging from the economic disaster left by more than four decades of communist rule. Indeed, the Czech regional government approved the Mercedes joint venture last week.

"These countries are our neighbors," said Jürgen Oberg, executive director for Eastern Europe at Siemens AG, the huge Munich-based manufacturer specializing in electrical equipment and electronics. "Germany is the best partner they have in their goal of becoming part of a wider European Community. And for us, there is the opportunity for a profitable long-term business relationship."

Concentrated most heavily in Czechoslovakia, German economic influence is spreading rapidly throughout Eastern Europe. Out of more than 3,000 joint ventures already established in Czechoslovakia, more than a third are with German firms, according to Business International, a Vienna-based consulting company that specializes in Eastern Europe.

Even more impressive, at least 80 percent of the foreign capital that has entered the economy has come from Germany. Volkswagen AG, in the biggest single deal in Eastern Europe since the fall of the Berlin Wall, plans to pour at least \$5.5 billion into building cars in Czechoslovakia through its joint venture with Skoda.

Germany is also the largest foreign investor in Poland, although its stake there is far smaller at only about \$160 million. Indeed, President Lech Walesa urges German business to do much more in Poland. Among the East European countries that have made significant strides in moving toward capitalism, only Hungary, with slightly more than half its foreign investment coming from U.S. companies, has a widely diversified base of outside money.

It is no surprise that Germany has taken the lead. Germans have played the strongest economic

role in Central and Eastern Europe for more than a century. Siemens, for instance, opened its first foreign outpost in St. Petersburg in 1855, only eight years after the company was founded.

Even during the Cold War, when much of the business dried up, Germany was the largest Western trading partner of every country within the former Soviet empire. The Eastern Committee, an industrial group that helped forge business deals between Germany and the old East bloc, has been active for more than 30 years. When the communist system collapsed, German bankers and industrialists moved quickly to fill the vacuum.

"It is our natural market," Otto Wolff von Amerongen, chairman of the Eastern Committee, told The Washington Post recently. "In the end, this market will perhaps bring us to the

fact, the heart of the complaint from Eastern Europe is not so much that German companies are investing too much, but that others are investing too little.

"If this area is turning into a kind of German territory, it is because businesses from America, France and the U.K. are not moving faster," said Heinrich Vogel, director of the Institute for East European and Soviet Studies in Cologne.

Throughout the region, governments are trying to encourage foreign investment from other Western countries but they have shown little inclination to limit German interest.

"The fears of German domination have been exaggerated by certain politicians in hopes of exploiting an issue," said Eberhard von Koerber, an executive vice president for the Swiss-Swedish hybrid, ABB Asa Brown Rover Ltd. "But in the real world of day-to-day business, it just doesn't play a role."

For now, most of Germany's attention is focused on the immensely expensive task of reunification. Some big companies are already putting down roots in Poland, Czechoslovakia and Hungary in particular. But many more are waiting on the sidelines as those nations struggle to sort out their own legal systems, establish protections for private property, and develop the banking network and infrastructure necessary to support robust economic growth.

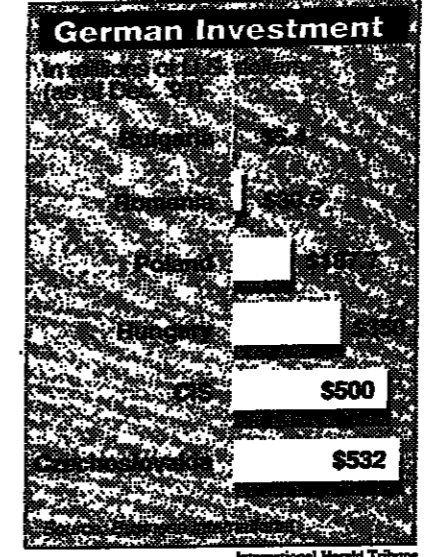
But as German business expands more vigorously into Eastern Europe, the same dilemma that confronts Germany in its backward eastern section will arise in the rest of the region once ruled by the Soviet Union.

Above all, Germans crave stability — both economic and political — among their East European neighbors. But to achieve that stability, paradoxically, Bonn is finding that it must pursue a much more spendthrift economic policy than its cautious burghers are comfortable with. On top of the staggering \$100 billion the government is spending annually in its eastern half, Germany is already by far the largest official donor to Eastern Europe and the republics of the ex-Soviet Union. There are undoubtedly many extra expenses ahead.

"Germany's bankers face the curse of its generalists: a two-front war," explains Walter Russell Mead, senior fellow for international economics at the World Policy Institute in New York. "On the Western front they seek to maintain its reputation for stability and consistency that has made the mark when it is. On the Eastern front they must pursue a financial policy that is much more expansionary, even reckless, by traditional West German standards."

It is a paradox that promises to bedevil Germany for years to come.

TOM REDBURN is on the staff of the International Herald Tribune.



same position we were in before World War I. Why not?"

For German industry, Eastern Europe is likely to prove a godsend in its effort to maintain global competitiveness. German labor, among the costliest in the world, is driving business to look for cheaper alternatives. Already, Volkswagen and Daimler-Benz have suggested they cannot afford to build any new factories in Germany.

That raises fears in some circles that the former East bloc will be turned into little more than a low-wage workshop for German business. But despite the well-publicized complaints, particularly from Czechoslovakia, about a German economic colonization of Eastern Europe, business executives say they have detected little real resentment so far.

"Siemens has a good name in all these countries," said Mr. Oberg. "That helps."

# Stiff Medicine for Communism's Orphans

By Richard E. Smith

**F**RANKFURT — The Treuhändanstalt, the trust charged with privatizing most of the land and industry of former East Germany, is gradually entering the short list of four-syllable German words that the rest of the world can pronounce.

The tongue-twister (pronounced TROY-hahnt-ahn-shahlt) is becoming a familiar one as it crops up more and more in advertisements in foreign publications and in promotional seminars from Saudi Arabia to New York.

There are few newscasters or prime ministers who have not at some point had to wrestle with the name of a body that in less than 15 months has sold some 6,000 companies for 20 billion Deutsche marks (about \$12 billion) and committed the buyers to invest another 120 billion marks to safeguard a million jobs.

Its president, Birgit Breuel, has made clear that she wants to sell quickly as much as she can so that she can basically close shop at the end of 1994.

"Privatization is the best restructuring," she said, summarizing the basic philosophy of an organization that from the beginning has firmly believed that the private sector can best help East Germans shed communism.

That strategy reached a milestone when the Treuhändanstalt proudly announced recently that it had sold fully half of the companies inherited from the East German regime by the end of January.

This is not to say that the Treuhändanstalt has become any more popular. Feelings among union leaders, politicians of unemployed have ranged from mistrust to resentment to fury as the Treuhändanstalt prescribed its stiff medicine.

Indeed, the assassination of Ms. Breuel's predecessor, Detlev Rohwedder, has never been clarified.

The debate has evolved along classic and familiar lines, pitting proponents of free markets against those pleading for more government guidance, but rarely have the stakes been so large, with roughly a third of former East Germany's once fully employed work force now without work.

IG Metall, Germany's largest union, has steadily lobbied for the creation of a sister



Birgit Breuel

organization to the Treuhändanstalt that would work to restructure firms gradually rather than try to sell them off rapidly.

Horst Wagner, a union leader in the Berlin-Brandenburg region, said that soon there would be no industrial companies left in his region if the Treuhändanstalt pursues the route of selling off or closing down. Although some Eastern regions such as Saxony and Thuringia are already showing encouraging signs of buoyancy, the more heavily populated smokstack areas near Berlin could be stripped of much of their industrial establishment and face severe social problems.

Ms. Breuel says that the union approach would create "two classes" of companies, one forced to play by the tough rules of the private market and the other sheltered by government largesse.

It is not lost on East Germans, of course, that two classes already exist in prosperous Western Germany, where the government has long coddled steelworkers in the Ruhr, shipbuilders in Bremen and farmers everywhere. With the costs of reunification soaring, Economics Minister Jürgen Möllemann has made dramatic promises to cut back subsidies for these groups but so far has not had much success against their entrenched lobbies.

It is precisely those sorts of lobbies Ms. Breuel wants to prevent from gaining an early foothold in Eastern Germany, and she knows that this requires clear-cut and rapid action at the beginning of the process.

Some of her haste can also be ascribed to political realism. Once a regional finance and economics minister, she realizes that a shift to the left in the 1994 elections could severely complicate her work if the Treuhändanstalt lives much beyond that year.

Many local and regional politicians are already spoiling for a showdown and a government controlled by the Social Democrats in Bonn would be much more sympathetic to union demands for a slower approach.

Wolfgang Roth, economics spokesman for the Social Democrats, has said that the government is presiding over a "catastrophic development" that is creating "wide areas of de-industrialization."

At the same time, business leaders are pressuring Ms. Breuel to move faster and are warning that any company held too long by the Treuhändanstalt may become suspect.

Ms. Breuel's especially active campaign so far this year has put a strong emphasis on luring foreign investors and on offering novel approaches to privatization. She has actively encouraged Western Germany's large banks to set up funds to adopt various companies in the Treuhändanstalt's ward and groom them for independence or the market.

DIH Deutsche Industrie-Holding AG, founded by Deutsche Bank, has looked at dozens of candidates and several other large banks have launched similar vehicles.

Ms. Breuel is also receptive to the participation of local governments in the restructuring of companies that are particularly important to them. This broader flexibility may be necessary as time passes because many of the companies remaining for sale are small and mid-sized firms, which are not so likely to attract the big-ticket investors.

Nevertheless, Treuhändanstalt officials believe that roughly 70 percent of the companies remaining on its rosters can be groomed for sale in roughly their present form.

"Some day, when people look back at the job of the Treuhändanstalt, they will see it as a model of success for privatization," said Norbert Walter, economist of Deutsche Bank.

# Limits of the German Model for Europe

Continued from page 7

London or Washington, the most striking German peculiarity is the absence of a large, powerful bureaucracy to represent the national government's interests.

To an almost unimaginable degree compared with other major countries, the federal government in Bonn has little machinery for managing the nation's economy, leaving room for the Bundesbank and the commercial banks to handle fiscal and industrial questions.

Since local governments handle every issue that they can, including education and regional development, the federal government controls mainly international questions.

The lightness of the German bureaucracy, rooted in the Germans' fears of the dangers of a centralized and therefore coercive system, has become a problem for the Bonn government now that Germany is being called upon to assume so many new international responsibilities.

Shying from any machinery that might be abused for overt authoritarianism, Germans therefore rely heavily on consensus, a notion coupled with insistence on clear rules so that everyone knows exactly what is expected.

That consensual approach ensures unity and continuity in a venture and, perhaps even more

importantly, it satisfies an ingrained concern among Germans to eliminate unpredictability.

While other nationalities often react defensively to German insistence on signposting every step of the way in a business or diplomatic relationship, the Germans actually are seeking for themselves to know where they are going. Once convinced, they demonstrate an almost unshakable confidence in their partners.

Such a mechanical-sounding approach often irritates foreigners as a symptom of German smugness — for example, in their denials of Germany's unwavering industrial policy.

True, it is not set by the government, but business and financial leaders consensus produces the same results, writes Michel Albert, author of a recent book published in France entitled "Capitalism Against Capitalism."

In his view, German industrial groups' preference for getting long-term investment from banks and insurance companies — and not from the stock market, as Anglo-Saxon companies do — is rooted in a fundamentally different interpretation of the free market concept.

Drawing on the example of insurance, Mr. Albert, who heads one of France's largest state-owned insurance groups, says that Continental Europe conceives of insurance as a collective sharing of overall risks by a limited number of companies. In contrast, Britain,

with its maritime tradition, has numerous, fiercely competitive companies that gamble on risks that they choose.

German businesses work cooperatively in a way that French and British competitors can only envy, not emulate — and that provides cultural habits that result in effective nonverbal barriers. For example, preferential insurance premiums are available to plants that equip themselves with German-made technologies, allegedly because these systems are known to German actuaries and so the risks can be quantified.

Many of these fundamental attitudes may undergo change, however, as Germany steps being a ward to U.S. innovations in management and to U.S. political protection. These trends, which benefited Germany disproportionately, may have allowed some Germans to overrate their own prowess.

Polls show, for instance, that German opinion gives the largest credit for undermining Soviet power and reuniting Germany to West German initiatives, not to U.S. strength and NATO unity. That assumption is likely to need rethinking as Germany finds that it has to start providing real leadership.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

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Germany / A Special Report

Economy Slumps to 'the Razor's Edge'

By Richard E. Smith

FRANKFURT — A year ago hardly anyone would have predicted a serious slump in Germany's economy. It was forging ahead at a robust growth rate of more than 4 percent, pleasingly surprising even the professional optimists in the ruling coalition government.

But since then, it has been nearly all bad news: a sluggish world economy unable to absorb its usual quota of German exports; angry unions claiming they did not get their full share in Germany's eight previous years of uninterrupted growth; an inflation rate surpassing that in the United States and France; soaring transfers of funds to Eastern Germany.

A final blow came when East Germans, losing jobs while prices soared, drastically cut back spending in the middle of last year. The "renunciation effect," which had long kept Western Germany as well as some of its neighbors buoyant in spite of slumping economies nearly everywhere else, could no longer give the crucial extra boost.

Now Germany has suffered three quarters of falling growth and a long and deep slump is not out of the question.

German businessmen and politicians are all the more nervous because they have virtually no control over the two factors that might spare Germany a longer-term slump: world economic recovery and low wage demands.

Long the world's largest exporter, Germany has always been acutely sensitive to trends in the world economy and it is not surprising that exporters are confused at the moment about their prospects.

The U.S. economy, the key to a broader global recovery, remains a riddle as new signs of life continually flicker but never seem to lead to a convincing upswing.

the Bundesbank has raised its leading rates eight times over the last two years to postwar record levels.

Since the unions are the Bundesbank's major nemesis in heading off a price-wage spiral, aggressive wage demands by IG Metall could force the bank to keep rates at high levels for months.

Among other effects, these rates force many of Germany's neighbors to keep their own rates high since their currencies are interlocked with the mark in the grid of the

Even Economics Minister Jürgen Möllemann noted recently in his monthly economic report that German firms suffered the third consecutive year of shrinking profit margins in 1991.

"It is at the razor's edge," he said in a recent broad assessment of the economy. "The prevailing mood is very negative."

While Western Germany hovers at the edge, Eastern Germany remains on its own track. Mathematically, the two Germanys have switched roles from last year, when Western Germany was surging and Eastern Germany collapsing. This year the East looks set to grow by roughly 10 percent while the West wallows.

But the numbers are deceptive. They mask the fact that Eastern Germany is bottoming out from a trough so deep that a third of the work force is effectively unemployed.

The Bundesbank estimates that Eastern Germany will need net transfers of roughly 180 billion marks from Western Germany in 1991 year after drawing 140 billion marks in 1991. Heinrich Weis, president of the Federal Association of German Industry, noted that private investment is growing in Eastern Germany and that this is the key to long-term development.

He estimated that West German firms are likely to invest more than 30 billion marks in 1992, up from 25 billion marks last year. Overall investment amounts to about a third of the area's gross regional product.

But Mr. Weis cautioned that unemployment would continue to grow since productivity levels in the East still trail those in the West by a wide margin. He and most economists say that the East may have clearly bottomed out but that its recovery is spotty and so far really only convincing in the construction industry.

The grand showdown will come later this spring when IG Metall, the country's largest union representing 3.6 million metal workers, settles into serious negotiations.

The country's export machine started the year with one of its weakest performances in years as December's trade surplus of 5.1 billion Deutsche marks (about \$3 billion) evaporated to only 100 million marks in January and the country posted a record current account deficit.

At home, the behavior of the unions is similarly baffling for economic forecasters.

Various unions are trying various tactics but the grand showdown will come later this spring when IG Metall, the country's largest union representing 3.6 million metal workers, settles into serious negotiations.

The Bundesbank has said that wage settlements should be below 6 percent and some economists say that anything over that barrier could be the factor that would tip Germany into a longer-lasting slowdown.

The Bundesbank's warnings are not idle. With inflation stoked by previous wage settlements and by the strains of reunification,

European Monetary System. The result is that Germany not only provokes their wrath by preventing them from reviving their economies with lower rates, it also effectively cripples the very economies that normally import the most from Germany and could help Germany out of its own slump.

Economists had long hoped that German rates might be cut as early as this summer but many are getting worried that it may take longer to rein in inflation.

In the meantime, businessmen are getting more somber. A survey by the German Economic Institute, a leading research center, showed recently that 30 of 39 associations representing all major industrial and service sectors were pessimistic about 1992. A year earlier only nine had been pessimistic.

"You cannot forget the punishing cumulative effect of rates which stay at these levels month after month," said Richard Reid, economist with UBS Phillips & Drew.

Unification Strains 'Social Market' Philosophy

This analysis of Germany's social welfare system was written by Robert Gerald Livingston, who directs the American Institute for Contemporary German Studies at Johns Hopkins University. Mr. Livingston was president of the German Marshall Fund of the United States from 1977 to 1981.

WASHINGTON — Recession, spiraling unification costs, and trade union demands for greatly increased wage-benefit packages have spotlighted the social side of Germany's social market economy. Will it now be necessary to sacrifice or at least limit some of the generous social welfare benefits that are part of every German's way of life?

Social justice has been a guiding principle of Germany's economic system since the early days of the Federal Republic. It is a principle that is just as firmly anchored in the German constitution as democracy and federalism. Article 20 states that Germany is "... a democratic and social federal state."

Elusive as social justice may be as a concept, it is one that pervades the German constitution, the entire political culture, and the social market economic system. The constitution (Article 14) expressly obliges those owning property to use it for the common good. The government is required both to protect the weak and to effect a social and regional redistribution of income for the sake of equity.

The prime objective of the German politico-economic system is not necessarily to eliminate social conflict but to contain it and channel it constructively. Basic to this end is "social partnership," a concept that was

smiths to Margaret Thatcher but is widely influential in Continental Europe nevertheless. It calls for employers' organizations, the unions, and usually government to cooperate in managing economic institutions in ways that promote consensual outcomes.

Responsible for such socialistic ideas were less the Social Democrats than the Christian Democrats of the 1950s and 1960s. For Chancellor Konrad Adenauer's domestic societal consolidation ranked along with international integration into Western institutions, primarily NATO and the European Community, as the two pillars of post-war Germany. Adenauer repeatedly overrode the free market inclinations of his economic minister, Ludwig Erhard, and also the budget constraints of his finance ministers to push through social programs.

Catholic social thought originating in Adenauer's Rhineland lay behind the "property obliges" article of the constitution and also much of the ensuing social legislation. The intellectual father of the social market economy, Professor Alfred Müller-Armack of Cologne, regarded it as a "third way" between socialism and laissez-faire capitalism. The aim of the system's redistributive elements, as pursued by Adenauer, was to preserve existing social

structures and property relationships.

Three key institutions, referred to as a "magic triangle" by the leading American scholar of Germany's political system, Peter Katzenstein, characterize the comprehensive German welfare state:

• The indexed pension system, set up in 1957, and based on a "solidarity pact" between young workers and old retirees.

• The Social Welfare Act of 1961, which altered the entitlement concept toward providing assistance to those "temporarily" needing help.

• Creation, in 1969, of a highly interventionist labor market policy, which linked assistance to the unemployed with vocational training and retraining.

Present economic strains have arisen in part because, like all other West German institutions, these three began to be applied in their entirety after 1989 to 17

million more people, the East Germans, who had hitherto never paid a penny into the funds out of which such programs are financed.

UNIFICATION provided the best proof of the priority the German system assigns to social welfare. Unity within the social welfare system in fact actually preceded constitutional union. As soon as the Berlin Wall fell, every one of the hundreds of thousands of East Germans moving west immediately became beneficiaries of the West German social welfare programs, from unemployment benefits to health insurance and virtually everything in between.

Significantly, too, what was first, in February 1990, announced as a forthcoming "economic and monetary" union, as the first step toward full political union, became within two months a promised "social" union. The economic, monetary and social union went into effect on July 1, 1990, three months before political unification.

East Germans wanted not only the Deutsche mark, but all the Federal Republic's social welfare benefits as well.

Besides unemployment insurance, which antedates the 1950s, it is without doubt the assistance to those East Germans "temporarily" in need and activist labor policy measures for those laid off that have so far staved off social unrest in the five eastern states.

Job creation plans and retraining courses administered by the Federal Labor Agency, which

also provides the payment to the jobless, have been essential as the East German work force is downsized from 9.5 million at unification to somewhere near five million during this year.

The social and redistributive principles of the social market economy provide the rationale also for the massive transfer of funds from West to East Germany since 1990. The constitution mandates that the federal government try to equalize conditions of life throughout the country. To do this in the former East Germany will require annual transfers of at least 100 billion Deutsche marks (about \$60 billion) until probably the end of the century.

Consequences of implementing such a broad array of social policies in East Germany now as well as in the West are worrisome. Big tax hikes have been required. Government borrowing has skyrocketed. The role of the state, which the Christian Democrats (CDU) and Free Democrats (FDP) promised to reduce when they came in a decade ago, has instead ballooned in the last two years. Today, government expenditures are again approaching 52 percent of gross domestic product.

But so far, the CDU and the FDP have been able to heed that social conscience that is an integral element of the Federal Republic's approach to economic policymaking. They understand that Germany's economic success since Adenauer's time not only permitted the social welfare state but required it.

Europe, Apple Pie and Mark

Continued from page 7

chancellor candidate of the Social Democrats, who has joined his party by bad-mouthing the Maastricht compact.

Like every other politico, these folks go to party meetings where they have recently gotten an earful about "them" trying to get a hand on "our" Deutsche mark to debauch it with inflationist profligacy. They also read the opinion polls, which deliver a cautionary tale to Europe-firsters. A recent RAND study had this to report: When it comes to "strengthening the internal market," the German multitudes (85 percent) declare themselves in favor. But only 48 percent opt for "creating a common currency." Ditto for "political union" (only 44 percent) and a "European defense" (40 percent).

Little wonder. For decades, "Europe" was a remote and abstract enterprise whose impact, large as it was, hardly struck the consciousness of Herr Schultz and Frau Müller. "Europe" was tons of paper devoted to a common "rape oil order" or an endless succession of summits whose communiqués nobody bothered to decipher. Sure, separate and faster channels for EC citizens at immigration and crime *franche* in the supermarket were nice, but no reason for abandoning Bonn in favor of Brussels.

But Maastricht did hit home. Money is something everybody understands. More important, "our hard Deutsche mark" is probably the only national symbol every German, whether left or right, young or old, truly reveres. Given World Wars I and II as well as the sorry record of German democracy in between, there are precious few other sources of pride for 20th-century Germans. If there is nationalism in Germany, it is not *Deutschland über alles* but *Deutsche mark über alles*.

The D-mark is an unbroken success story that shines even more brightly when compared to the Reichsmark. Twice in this century savings were wiped out, once in 1923 through hyperinflation and again in 1948, when currency reform left everybody with exactly 40 "new" marks in his pocket. Since then, the D-mark has climbed from 4.2 to the dollar to 1.6, and from 20 marks to the pound to less than 3.

EMU, the acronym for European Monetary Union, smacks of losing it all again — unless, as Messrs. Kohl, Waigel and Helmut Schlesinger (the head of the Bundesbank) surely hope, Germany manages to stay in charge. But why would Frankfurt stay in charge? Today, the Bundesbank enjoys the best of all possible worlds. All of Europe is a de facto Deutsche mark bloc. If Germany, with close to 5 percent inflation, jacks up interest rates, France, with only 3 percent, has to follow. But when 12 nations are at the helm, that exalted position will be lost, no

matter how stability-minded the charter of the Euro-bank might be.

The issue goes deeper still. For decades, "Europe" has been the German equivalent of motherhood and apple pie — an un-assailable mark of political virtue. And a profitable policy, to boot. For a defeated, discredited country, membership in the European club was a dream bargain. By giving up small slices of sovereignty, the West Germans gained the whole pie, as it were: first rehabilitation and respectability, then a community that would cocoon West Germany's resurgence, and finally a commanding voice in the entire enterprise.

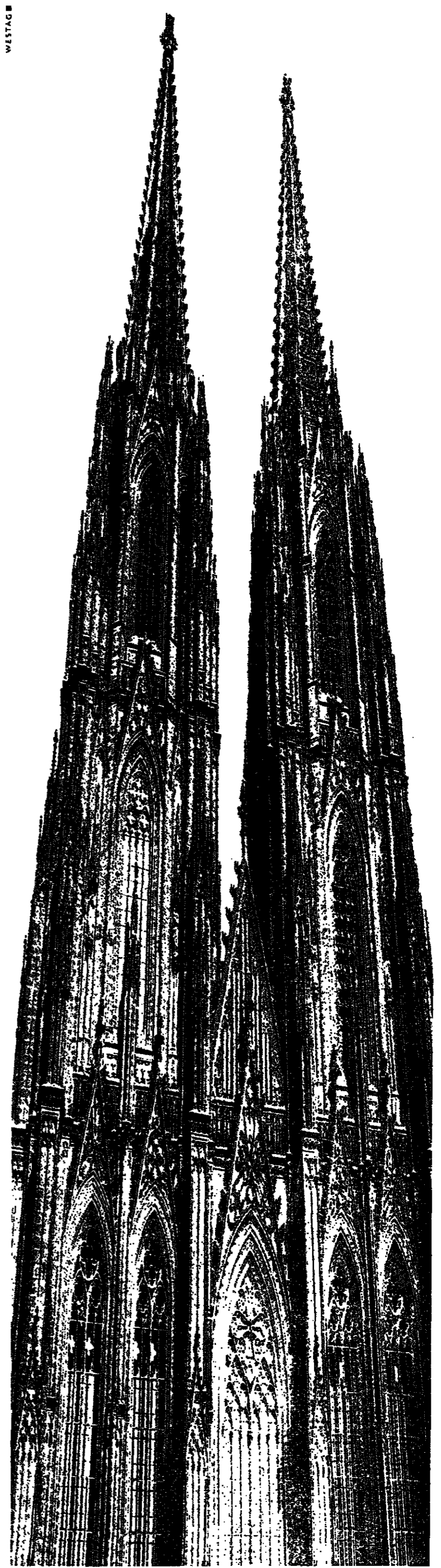
Economically, the bargain was just as lucrative. Markets lost in the East were replaced by much richer outlets in the West. They fueled an export-led boom that turned Germany into the Japan of Europe. But now, all these profits have been absorbed. And the Cold War is over. The Russians are going home, and Germany is reunified. The shackles of dependence have fallen away, and for the Germans, "Europe" is no longer Western Europe but the whole Continent.

For a defeated, discredited country, membership in the European club was a dream bargain.

Even if the D-Mark were not on the table, the Germans would have taken a harder look at their traditional EC priorities. To give up sovereignty was an easier habit when (West) Germany was a less-than-sovereign country. But with reunification, the last remnants of the Four Power regime were lifted, and now, self-assertion comes more naturally. It was West Germany's penchant for seeking influence through community that, in many ways, drove the integration venture. Throttle that engine, and the process may well slow down, especially since enlargement, through admission of the former neutrals and then of the East Europeans, will not bolster the EC's unity of purpose.

Perhaps, historians will one day look back at Maastricht as the high point (and turning point) of European integration, when there was nothing more left to integrate than money, taxes, defense and diplomacy — precisely those items, unfortunately, that define the hard core of national sovereignty. At any rate, don't bet on a "United States of Europe" as quickly as you can say "EMU."

JOSEF JOFFE is foreign editor and a columnist of the Süddeutsche Zeitung in Munich.



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Europe

Heart of the complaint is not so much that Germany is investing too much, but that it is turning into a kind of German satellite business from the U.K. are not moving the needle. Vogel, director of the European and Soviet Studies

the region, governments are not foreign investment from other states but they have shown less than German interest.

German domination in Europe is certain politicians in hopes of a issue," said Eberhard, a

negative vice president for ABB. ABB Asia Brown is in the real world of day-to-day doesn't play a role.

Some big companies are also active in Poland, Czechoslovakia, and Slovakia. But many more industries as those nations are their own legal terms, stable private property, and a

network and infrastructure to a robust economic growth.

Business expands more in Western Europe, the same about Germany in its backyard will arise in the rest of the led by the Soviet Union.

Germany's drive to unite with the Soviet Union is a political — among them by players. But to assume that

Germany is turning that into a more sophisticated economic structure, however, are confident of the staggering 1.9 billion in spending annually in its economy is already by the time to Eastern Europe and the ex-Soviet Union. There are a extra expense.

backers face the core of a war-front war," explains the

World Policy Institute. Livingston was president of the German Marshall Fund of the United States from 1977 to 1981.

WASHINGTON — Recession, spiraling unification costs, and trade union demands for greatly increased wage-benefit packages have spotlighted the social side of Germany's social market economy.

Will it now be necessary to sacrifice or at least limit some of the generous social welfare benefits that are part of every German's way of life?

Social justice has been a guiding principle of Germany's economic system since the early days of the Federal Republic. It is a principle that is just as firmly anchored in the German constitution as democracy and federalism.

Article 20 states that Germany is "... a democratic and social federal state."

Elusive as social justice may be as a concept, it is one that pervades the German constitution, the entire political culture, and the social market economic system.

The constitution (Article 14) expressly obliges those owning property to use it for the common good. The government is required both to protect the weak and to effect a social and regional redistribution of income for the sake of equity.

The prime objective of the German politico-economic system is not necessarily to eliminate social conflict but to contain it and channel it constructively. Basic to this end is "social partnership," a concept that was

smiths to Margaret Thatcher but is widely influential in Continental Europe nevertheless. It calls for employers' organizations, the unions, and usually government to cooperate in managing economic institutions in ways that promote consensual outcomes.

Responsible for such socialistic ideas were less the Social Democrats than the Christian Democrats of the 1950s and 1960s. For Chancellor Konrad Adenauer's domestic societal consolidation ranked along with international integration into Western institutions, primarily NATO and the European Community, as the two pillars of post-war Germany.

Adenauer repeatedly overrode the free market inclinations of his economic minister, Ludwig Erhard, and also the budget constraints of his finance ministers to push through social programs.

Catholic social thought originating in Adenauer's Rhineland lay behind the "property obliges" article of the constitution and also much of the ensuing social legislation. The intellectual father of the social market economy, Professor Alfred Müller-Armack of Cologne, regarded it as a "third way" between socialism and laissez-faire capitalism.

The aim of the system's redistributive elements, as pursued by Adenauer, was to preserve existing social structures and property relationships.

Three key institutions, referred to as a "magic triangle" by the leading American scholar of Germany's political system, Peter Katzenstein, characterize the comprehensive German welfare state:

• The indexed pension system, set up in 1957, and based on a "solidarity pact" between young workers and old retirees.

• The Social Welfare Act of 1961, which altered the entitlement concept toward providing assistance to those "temporarily" needing help.

• Creation, in 1969, of a highly interventionist labor market policy, which linked assistance to the unemployed with vocational training and retraining.

Present economic strains have arisen in part because, like all other West German institutions, these three began to be applied in their entirety after 1989 to 17 million more people, the East Germans, who had hitherto never paid a penny into the funds out of which such programs are financed.

UNIFICATION provided the best proof of the priority the German system assigns to social welfare. Unity within the social welfare system in fact actually preceded constitutional union. As soon as the Berlin Wall fell, every one of the hundreds of thousands of East Germans moving west immediately became beneficiaries of the West German social welfare programs, from unemployment benefits to health insurance and virtually everything in between.

Significantly, too, what was first, in February 1990, announced as a forthcoming "economic and monetary" union, as the first step toward full political union, became within two months a promised "social" union. The economic, monetary and social union went into effect on July 1, 1990, three months before political unification.

East Germans wanted not only the Deutsche mark, but all the Federal Republic's social welfare benefits as well.



# Berliners Hope Expansion Will Help Pay Unity Bill

By Ann Brocklehurst

**B**ERLIN — As the costs of unification prove more of a strain on Berlin's finances than the expense of maintaining a divided city ever did, political and business leaders are counting on a major economic expansion to ease the pressure.

They believe that the German government's decision to move from Bonn to Berlin will attract business and generate tax revenues in a way that was never possible during the Cold War years. But before the city is able to cut its dependence on federal government funds, it is receiving lavish sums to help it pay for the overhaul of East Berlin's rotting infrastructure and the merging of its eastern and western halves into one modern city.

Of its total 1992 budget of 41.88 billion Deutsche marks (about \$25 billion), Berlin will receive 38 percent in subsidies from the German government, raise 13 percent through new borrowing and generate 26 percent through taxes.

Finance Senator Elmar Fieroth said the debt level, one that would be considered irresponsible under normal circumstances, was unavoidable given the magnitude of the job to be done. "We have no other choice," he said in an interview. "We can't build the Wall back and make the East stay at the level it is today."

East Berlin's needs range from sewer equipment to telecommunications systems and include just about everything in between. Both East and West Berlin need housing, efficient power generating and distribution equipment, and better road connections to each other and the rest of Germany.

While it is clear that many improvements have already been made — public transportation runs efficiently between East and West and the phone lines across town are no longer as impossibly busy as they once were — there remains more work to be done than originally estimated. The Berlin and German governments have already begun negotiations to extend payments from the special German Unity Fund beyond the planned cutoff date of 1995. Also being discussed is the timetable for the federal government's move to Berlin. While Berlin is lobbying for it to take place as soon as possible, the federal government seems to want to postpone both the move and the accompanying bills until the late nineties.

Earlier this year, Bonn even floated a trial balloon, suggesting some ministries should remain where they are.

"The move is more difficult than expected," said Siemens AG Vice President Joachim Putzmann, chief of the electrical and electronics company's Berlin administration. While he is optimistic about Berlin's future, Mr. Putzmann said there are still very few decision-makers in the city and German business needs to see the government back in Berlin before it relocates key people and operations.

The pace of Berlin's expansion will be partially reflected in the growth of the city's taxes, which are targeted to triple to 18.5 billion marks in 1995 from 6.09 billion marks in 1990.

Mr. Fieroth said 4 billion marks of the increase will come from new economic activity in East Berlin. 3 billion marks from general economic growth and 3 billion marks from the phasing out of the tax breaks granted to West Berlin business before unification, when the West German government compensated companies for the disadvantage of their geographic and economic location in the middle of East Germany.

The loss of the tax breaks is proving to have a variety of effects, often depending on the type of business involved. Retailers, who have been flooded with new customers from Eastern Germany, and producers of consumer goods and foodstuffs, who have found it relatively easy to boost their sales in the newly accessible surrounding markets, will tend not to suffer.

But other companies, such as the pharmaceutical and chemical giant Schering AG, say profits are being hit despite an aggressive sales and marketing push into Central and Eastern Europe. "The structure of the economy in these countries and the lack of hard currency has complicated our plan to increase sales," said Horst Krump, a member of Schering's executive board. "In the short term, we can't compensate for our higher costs through increased sales so we must save wherever we can."

Although Schering, the only major German company that currently has its headquarters in Berlin, does not plan to cut either jobs or investment, its rationalization program and comparable cost-cutting at other firms has had a ripple effect on the Berlin economy.

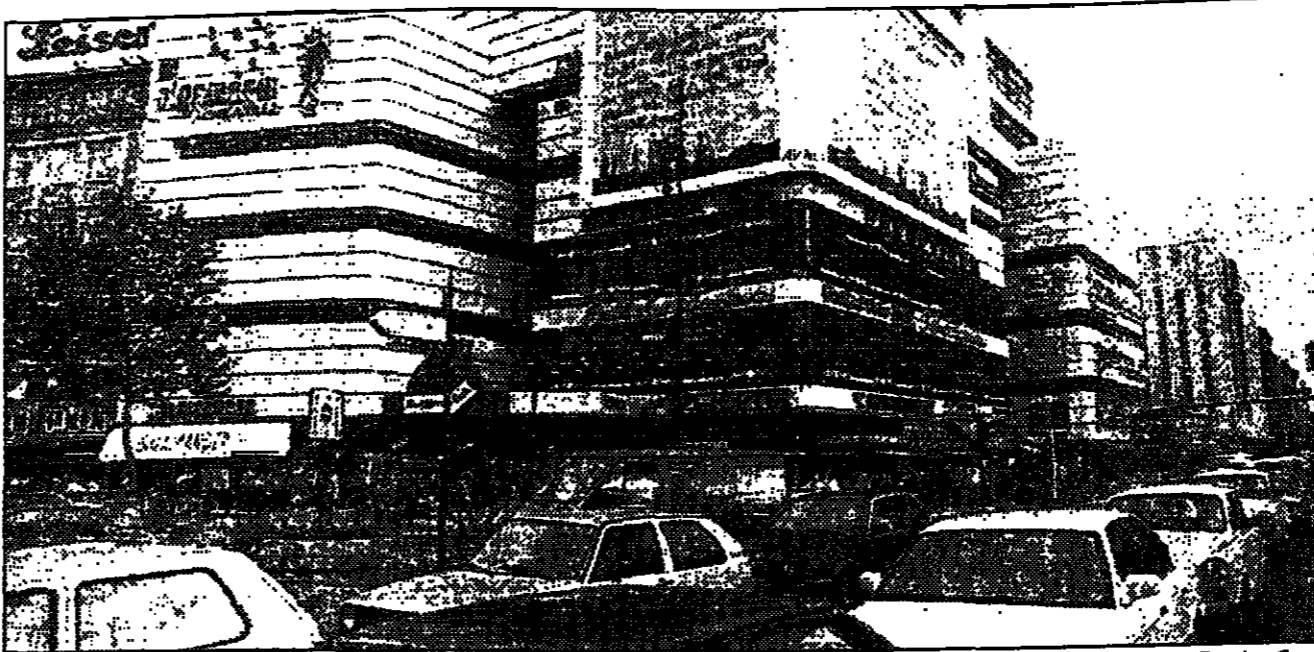
The owner of a small language school who expected business to improve thanks to increased demand from East Berliners keen to learn English has seen any such benefit canceled out as regular corporate customers have cut back on extras.

Small business has also been squeezed by the skyrocketing rates for office rental and the sharply higher costs of land.

**A**LTHOUGH there have been numerous calls for the government to control the rise of property and rental costs both for business and housing, Mr. Fieroth said Berliners must adapt to the prices, which are no higher than in other West German cities.

Despite the greater influence of market forces in both East and West Berlin's economic life, neither business leaders or politicians envisage a day when the city will be able to do entirely without government support. Berlin will always need a certain amount of help to pay for its many expensive cultural and educational institutions. As a consequence of its history as a divided city, Berlin has separate museum systems, universities, national theater companies and opera houses. While some of the museum collections can be merged and a few of the smaller theaters privatized, Berlin believes that in its role as Germany's capital, it is crucial to keep the rest.

ANN BROCKLEHURST is a business journalist based in Berlin.



City planners cite Berlin's traffic problems as the biggest task facing them.

# Reinstated Capital Struggles to Mop Up

By Conrad de Aenlle

**B**ERLIN — The ecological trauma that Germany's largest city must cope with is among the most acute and widest in scope in Eastern Europe. Berliners must not only mop up after 45 years of environmental neglect under the Soviet-supported regime, they must handle the ordinary waste and pollution problems of any city of 4 million while also trying to put its two halves back together.

"Berlin is in one way special," compared with the rest of Eastern Germany, said Patricia Werner, a spokeswoman for the Berlin State Senate's office for the environment and development. "You have so much housing and industry. There is so much soil polluted by oil and other substances. In some cases, we don't know where it is. It's sort of like a bomb."

She offered the example of Thälmann Park. A gas plant was closed in East Berlin around 20 years ago. The building was razed, and the toxic chemicals inside were dumped in the soil and covered up.

"Years later, you saw a nice park, but you didn't know what you were walking on," Ms. Werner said. "We did tests and found that the soil was so polluted, the houses around it will have to be taken down." Many residents near the park have complained of feeling ill, she said.

The most egregious examples of industrial pollution in Germany are concentrated in the area north of Leipzig, around Halle and Bitterfeld. Even though some of the worst offenders, such as the Bitterfeld aluminum plant, have been shut down, many others remain open. Christian Koth, an official with the Green League ecology group, said in a report on environmental problems in Eastern Germany. He cited brown-coal-fired power plants, as well as Bitterfeld's chemical and pesticide facilities.

To the casual observer, Bitterfeld is an awful place. Even now, more than two years after the

Iron Curtain was opened, the sky above the town is hazy on otherwise clear days, and a jaunt through its streets can leave a visitor with a dry, scratchy throat and a desire to leave as quickly as possible.

While Berlin is not a hard-core industrial region like Bitterfeld, the industry that is there is surrounded by far more people. Cleanup work in Berlin is proceeding, but much of the activity involves taking inventory of the damage and drawing up an ecological blueprint for the years ahead.

"There are 6,000 places with environmental poisoning, where chemical or other poisons have damaged the ground," said Klaus Haitzil, a Senate spokesman. "Most of them are in the east of Berlin, around old factories. The problem is there's no plan at the moment on how this damage can be repaired."

It is not even certain how the damage can be assessed. Daudi Werner, an ecological consultant in Berlin who monitors waste sites, said a law recently went into effect mandating the cleanup of toxic ground, but "there's no definition of what contaminated soil is."

Before any cleanup can begin in earnest, it must be decided whom to send the bill to.

"It's very difficult to sell these state-run plants from former times," Mr. Haitzil said, "because the new owners would be responsible for repairing the damage. They're asking that the state repair the damage before they buy the land." That's something the state can hardly afford to do.

"There's not so much money here, so we go about it in small steps," said Ms. Werner, the Senate representative. This year the Senate has budgeted 66.5 million Deutsche marks, or about \$40 million, for cleanup work.

An additional 100 million marks has been set aside for city planning activities, such as alleviating Berlin's traffic congestion, which officials say may be the biggest task facing them.

To combat auto pollution, Ms. Werner said,

the Senate is planning to close the city center to all cars not equipped with catalytic converters, such as Trabants and Wartburgs. The East German smoke bombs on wheels still seen in the city. Officials are also pressing manufacturers to design new converters to make cars run cleaner. But corporate Germany has so far not been especially forthcoming in the ecology effort, city officials say.

"We have great firms that want to invest here," Ms. Werner said, "but they are playing with the ministries" to have their projects approved with a minimum of environmental concessions.

**B**Y contrast, authorities are getting plenty of public support, at least in the western half of the city. KaDeWe, a city landmark that is the largest department store in Continental Europe, has a recycling center in its sixth-floor food pavilions. And at every cashier's desk, customers can pay an extra mark to have their purchases stuffed in an "environment bag," a cloth sack that presumably is kinder to the planet.

Residents also scrupulously practice the unsavory task of dividing up their garbage. Under what is called the "Berliner Model," Ms. Werner said, "we have containers concentrated in the housing areas, one for glass, one for paper, one for everything else. It's working."

She said that in a few months, containers will be set up for disposal of "green point" items, goods packaged in a more environmentally friendly way. Manufacturers will be forced to take back the packaging and recycle it; in return, they get to charge more for it.

What is interesting is that consumers are willing to buy the green point products. One cynical Berliner said, "It's the one thing Germans don't mind paying more for."

CONRAD DE AENLLE is a Paris-based writer specializing in economic and financial topics.

# Center Stage But Unsure Of Its Role

Continued from page 7

ing Bonn of "giving away" the mark at December's meeting in Maastricht where the treaties for political and monetary union were reached.

More sophisticated voices also have serious questions. Oskar Issing, chief of the Bundesbank's economics department, made a point of warning recently that the Maastricht treaties may have set out rules that are too lenient on inflation control, budget deficits and national debt.

Such deep-seated feelings make it likely that the run-up to monetary union over the coming decade is likely to be marred by festering grudges and nasty outbreaks. The Bundesbank, statutorily responsible for holding German inflation low, will crack the whip with high rates and keep forcing others to toe a similar line, giving a taste of the price for Germany's long-envied monetary stability.

The postwar German formula has been more than a little shaped by the country's federal structure. Its Länder, or states, have always had considerable autonomy in contrast to the more centralized economies of some other European Community states, notably France.

## The run-up to monetary union is likely to be marred by festering grudges.

West Germany's postwar *Ordnungspolitik*, a formula that minimizes state planning, encouraged the economy to grow organically within certain clearly set rules. In contrast, the postwar French economy has been marked by sweeping campaigns of dirigisme and industrial planning.

Other EC states have found various formulas between the extremes but the German model is steadily gaining ground.

"Under pressure from the younger generation, we have been decentralizing and Paris, formerly the heart and lung of the nation, is having to yield power," wrote Eric Le Boucher, economics editor of *Le Monde* in an essay about the steady "Germanization" of France.

Since Germans hold the strongest cards in a Continent where economic development looks set to be the focus of the 1990s, they are also likely to shape the emerging monetary union more than anyone else.

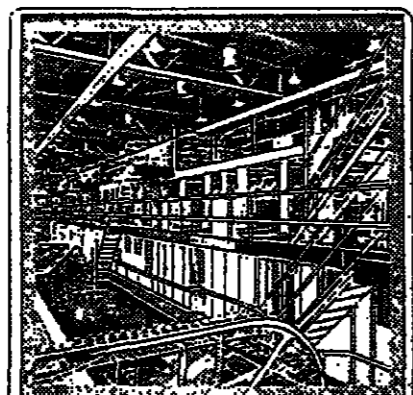
But their self-image, already fragile and undeveloped, may not develop without pain. When Prognos AG, a Swiss research firm, recently polled European executives to ask if Germany was seeking hegemony in Europe, 92 percent of the Germans said no while nearly half of those from other countries said yes.

RICHARD E. SMITH is the International Herald Tribune's correspondent in Frankfurt.

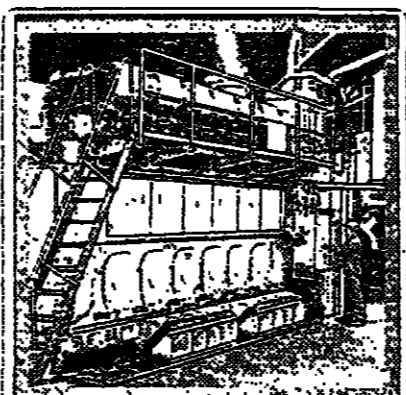
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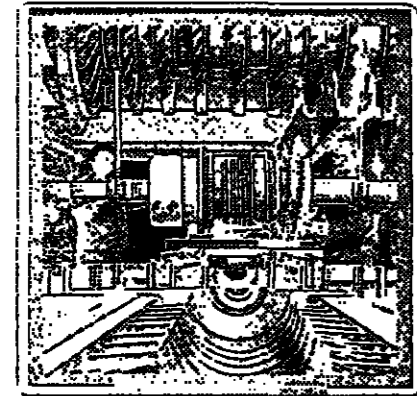
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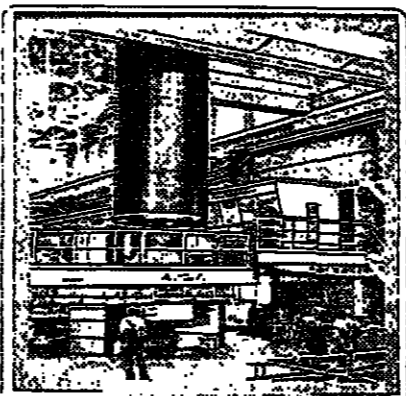
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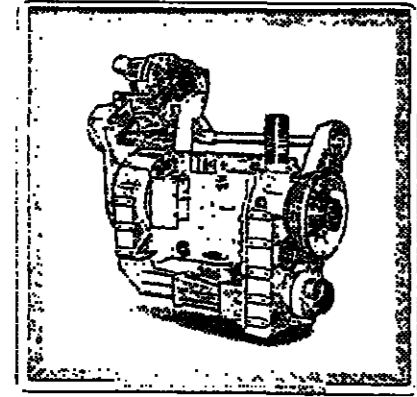
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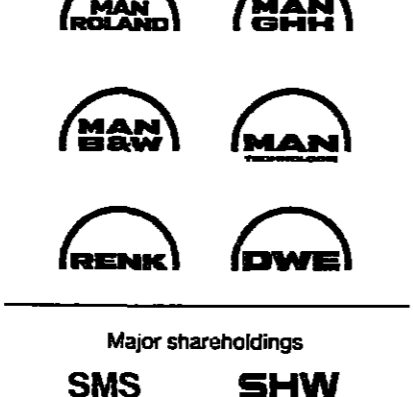
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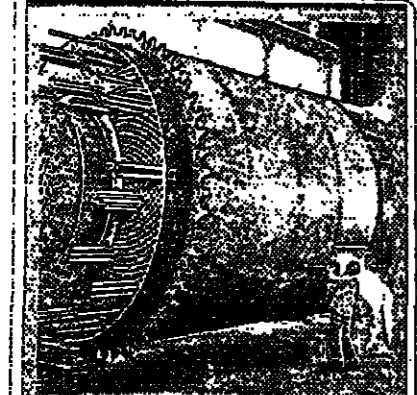
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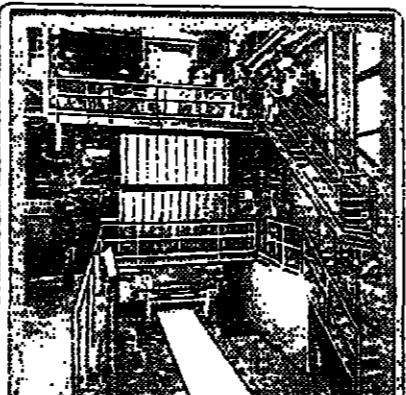
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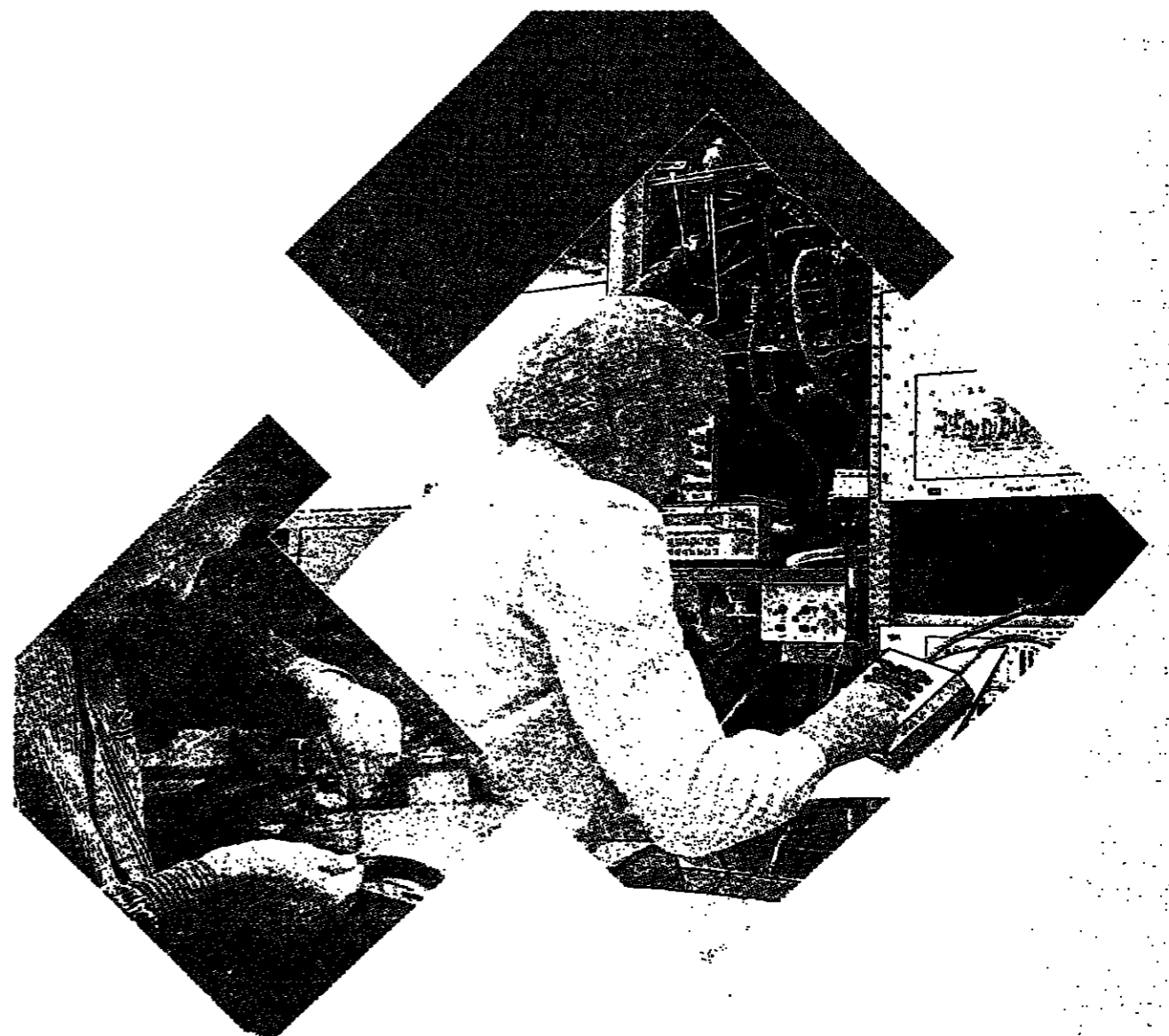
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The East's New Entrepreneurs

By Conrad de Azavedo

LEIPZIG — When Albrecht Hartge and Stefan Walther first met here after the Iron Curtain came down, they discussed the changes going on around them and decided that one thing would surely be in demand in the newly liberated German states: furniture. Construction would soon be booming, they figured, and once the materials went up, the interiors had to follow.

They focused around the notion of starting such a business, but after some preliminary inquiries, they put their idea aside and Mr. Hartge returned to his job at a large Munich reinsurance company "with my mind still on the West," he recalled.

Some months later, though, Mr. Walther, who had owned a small upholstery business in East Germany, called to say he had bought an interior design company in Leipzig from the Treuhänderschaft, the agency created to privatize East German enterprises, and the two became partners.

"We talked about the business, the furniture, and I got interested," Mr. Hartge said in an interview at the Hotel Stadt Leipzig, where their firm, Bernhard Objekt + Design, is doing an overhaul of the interior.

The company also refurbishes restaurants, offices and conference centers. Revenues this year should be close to 18 million Deutsche marks, or \$11 million, he said. Not bad for a business bought for 2 million DM less than a year ago.

"It's a new situation here, and new opportunities are arising," he continued. "It's kind of like in the '50s in West Germany. A lot of things are moving here."

AND young West Germans like Mr. Hartge, 30, are staking their claims in the former East Germany by creating businesses from scratch, buying existing ones or expanding enterprises they operate in the West.

Ines Keil co-founded a computer consultancy in Düsseldorf in 1987 and Mac Consulting.

"When the East opened in 1989, one of our partners went to Leipzig to see if we could start up there," she said. "We wanted to get a foothold in the Eastern states. We started with a small office and one employee."

Now, there are three full-time workers in Leipzig and three others who divide their time between East and West. Mac Consulting has annual revenues of 4.5 million to 5 million marks, said Ms. Keil, who is 28.

It is difficult to make even a rough guess of the number of Germans developing businesses in the East, and more difficult still to determine how many of those are West Germans.

It is estimated that 5,000 Germans each month move from the West into the five states that made up East Germany, said Wolfgang Scheremet, a labor economist at the German Institute for Economic Research in Berlin, but there is no way to tell how many are West-emigrants or returning Easterners.

The ones who are forming their own enterprises are desperately needed. "What we have in Eastern Germany at this stage are no modernized businesses," Mr. Scheremet said. "We have large combines. We need small and medium-sized entrepreneurship. One of the biggest factors in Eastern Germany is to have a self-financing economy."

There are signs of that entrepreneurial sense taking hold. Wolf Weyermann, chairman of Wirtschaftsjunioren Deutschland, an organization of business people under 40, said that since the fall of the Wall in late 1989, 50 chapters with 1,000 members have opened in the five Eastern states. While 25 percent of the West German members own their own companies, the Eastern chapters boast an 80 percent rate of business ownership.

Of course, it takes more than vision to start a business. It takes money. That's where the government can help. "There are all kinds of programs promoting entrepreneurs," said Bodo Gaw, a spokesman for the federal Economics Ministry in Berlin. A typical one offers low-interest loans issued by banks and guaranteed by the government. The loans can be for up to 300,000 marks and must be repaid within 10 years. To qualify, the applicant must be under 30. There are other strings attached, as well.

which Mr. Walther financed with a combination of government-backed and conventional bank loans.

But government programs do not help everyone. Susanne Hansch, a 27-year-old Berlin fashion designer, and her partner, Klaus Bergmann, were approved for a loan to start their custom men's wear business, Son, but they turned it down.

"They offered us 300,000 marks, but for us it was too much," she said. They had to take either the whole amount or none of it, so they chose the latter.

They had other hard decisions to make, such as where to set up shop. The cost of making a single suit in Berlin was about 1,000 marks. It cost less in East Germany, but the quality was lower.

IN the end, they forsook Germany altogether. Now they have their suits made in Poland, where hourly labor costs 6 marks, instead of 20 marks in Berlin, and the workers have "the old craftsmanship that was lost in the GDR."

Finding skilled help in Eastern Germany is a problem for many business owners. "You can put money, money, money in the whole of Eastern Germany and it won't change anything," said Mr. Weyermann, who runs a specialty steel company in Berlin. "You have to train people."

In attitude adjustment, for one thing.

"You have to take into consideration the long history of socialism in the GDR," Mr. Scheremet, the economist, explained. "It was not necessary to do hard work. Things have changed; you have to give people time."

"Everything's new here, it's a new system," Mr. Hartge agreed. "It's a big challenge, it depends on oneself what you get out of it."

Bigger German Say in Europarliament?

By Charles Goldsmith

B RUSSELS — Germany, which has been underrepresented in the European Parliament since unification in October 1990, may have to wait a little longer before getting additional seats in the 518-member assembly.

The issue of Germany's representation may be tied into a detailed look at the Parliament in light of the European Community's likely expansion in the next few years. And that worries some members of Parliament, who say the Community is violating the concept of "one person, one vote" that it espouses as a basic democratic principle for the rest of the world.

"It looks now like we're in favor of one man, one vote in South Africa but not in Europe," said one official of the European Parliament.

The united Germany still has only 81 members in the Parliament, the same as France, Britain and Italy, despite a population far bigger than the other countries. With the 17 million people of East Germany, the united Germany now has 79 million people compared to 56 million in France, and 57 million in both Britain and Italy.

Following unification, Germany was granted 18 observers from the territory of the former East Germany, but did not receive new voting members.

"It's just inconceivable that there is no additional representation for East Germany," said a spokesman for the Socialist Group in the Parliament, whose 180 members form the single largest bloc.

The issue of German seats was slated to be on the agenda at the summit of EC leaders in Maastricht, the Netherlands, last December, but President Francois Mitterrand of France made it clear that he did not want to consider it at that time.

"I think it will eventually be resolved, so it's not a great worry," said a German diplomat in Brussels. "But the extra seats are very important for the people in the eastern part of Germany, in terms of being fully represented at the Community level."

The Maastricht treaty says that the matter should be considered by the end of 1992, along with the issue of how many EC commissioners there should be. There are now 17 commissioners, one for each country plus a second member for France, Italy, Germany, Spain and Britain, but there is a



Adenauer, the West German chancellor, and Foreign Minister Robert Schuman of France.

"They agreed to a general rule that France would never be underrepresented vis-à-vis Germany in any of the EC institutions," said a spokesman for the Parliament. "But those understandings were made under the assumption of roughly equal populations, and did not consider that East Germany would unite with West Germany."

The issue of the EC's enlargement is also a very large consideration in the debate over seats in the Parliament, because it is expected that Austria, Sweden and perhaps Finland might be joining the Community by 1995. That would throw the current arithmetic off completely.

Under the current representation formula, the assembly would have to increase its membership to an unwieldy 1,000 if the EC admitted all the nations of Scandinavia, Eastern Europe and the Balkans, along with some republics of the former Soviet Union.

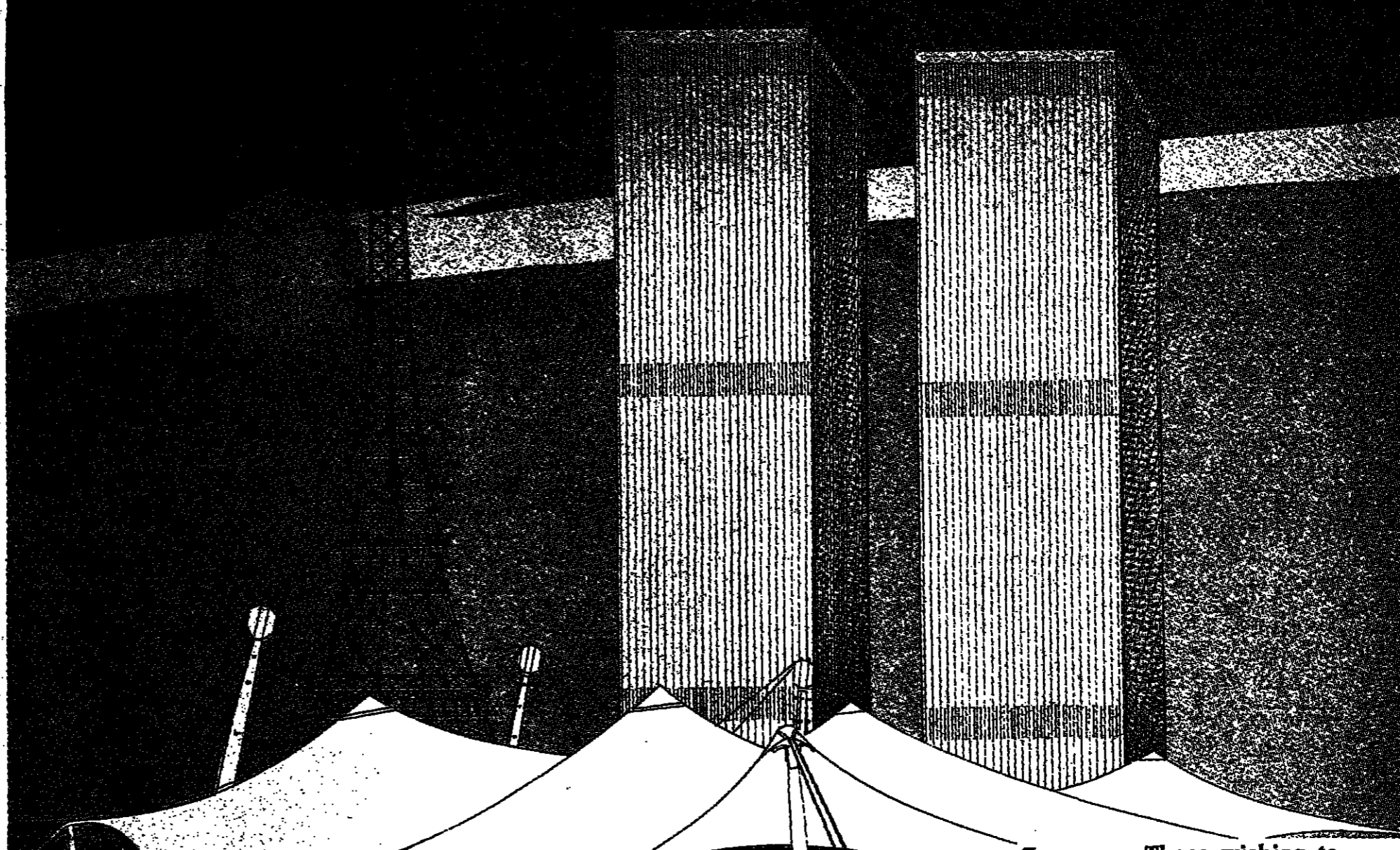
A report prepared for a parliamentary committee by Karel de Gucht, a Belgian member of the Parliament, contains several different models.

A 570-seat model would give 99 seats to Germany, 86 to France and 87 to both Britain and Italy. Add a few more countries, and the membership would increase to 667 seats, including 20 for Austria, 21 for Sweden, 17 for Switzerland, 13 for Norway and six each for Cyprus and Malta. Czechoslovakia, Poland and Hungary would boost membership to 823, and Turkey would bring the Parliament up to 906 seats.

Mr. De Gucht suggests, therefore, that the membership might be reduced right away to 347, including 65 for Germany and 58 each for France, Britain and Italy. The Eastern European countries would boost this number to 547.

CHARLES GOLDSMITH reports from Brussels for the International Herald Tribune.

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Automakers Study Bumpy Road Ahead

By Douglas Sutton

HAMBURG — With unification having opened a new market of millions of motorists hungry for Western cars, and with an aggressive drive to capture other Eastern European countries' markets as well, German carmakers would seem to be in a commanding position to continue their strong expansion of recent years.

Still, they are worried, and not just because of prospects of a decline in domestic sales this year as the German economy cools down and the boost in demand fueled by unification loses momentum.

With the nightmare vision of what has happened in Detroit and the shakeout in the American car industry, German carmakers worry that their structures have gotten too flabby and cars are being produced too expensively.

For the time being, German car manufacturers are still coasting down a smooth highway of steady demand fueled by Germany's unification in 1990. The industry had record sales last year of nearly 5 million cars, a 1 percent increase over 1990 and a turnover volume of more than \$130 billion, up 7 percent from the year before.

But in the executive suites at Volkswagen, Opel, Ford, Mercedes, and BMW — the top five makes sold in Germany last year — managers know a crunch in the market lies ahead.

The slowdown in the sector has already made itself felt, with the industry reporting in January a 7 percent drop in car production, to 407,900 units. New car registrations in the month were down 1.9 percent to 313,585 units.

What worries the industry most are production costs. According to the German Automobile Manufacturers Association (VDA) in Frankfurt, in terms of per-unit production costs, German carmakers lost ground to their counterparts in France, Britain, Italy and Spain during the past decade.

"We are producing too expensively," said Erika Emmerich, the president of VDA. She says that German companies "must now think about the reservoir" of excess labor on their payrolls.

Similarly, Eberhard von Kuenheim, the chairman of BMW, recently told the monthly Manager Magazin: "A 180-degree turnabout in cost structures is necessary."

By VDA calculations, hourly wage costs, including extra benefits, make German auto workers the highest-paid in Europe, at roughly \$27 per hour. By comparison, U.S. carworkers make just over \$21 and Japanese workers about \$20.50 per hour, including benefits.

The wage factor has helped create a shift, to German carmakers' disadvantage, in the ratio of the value of cars produced and payroll levels. In 1980, German carmakers accounted for 42.5 percent of the value of cars produced in the European Community, with a 33 percent share of the EC's total automotive labor force; by 1990, German carmakers were making 44 percent of the value of vehicles produced in the EC, but with a 43 percent share of the automotive payroll, the VDA said.

Gradually, however, the number of German automotive workers is decreasing. After peaking at 787,000 workers in 1991, employment had by this year fallen back to about 777,000.

Last year, thanks to strong home sales, domestic turnover increased 21 percent to 2.35 million cars, more than enough to offset an 8 percent drop in exports in value terms and 15 percent in unit terms.

But this year, the VDA expects a drop in domestic demand of 12 to 15 percent, and if the German economy keeps slowing, this prediction might prove too optimistic.

German carmakers are already starting to reduce payrolls as the slowdown approaches. Mercedes, with a current worldwide staff of 238,000 employees, said it is planning to cut its work force by about 20,000 by 1995, while BMW said it would cut its payroll, now at over \$4,000, by some \$,000 by the end of the year. VW is also planning cuts, and Ford and Opel are reportedly studying similar measures.

Such reductions may not be the entire solution to German carmakers' cost problems, according to some analysts. The Süddeutsche Zeitung newspaper in Munich said that the VDA was telling only part of the story when discussing production costs.

The paper noted that German car workers have the highest productivity in Europe, which in most cases compensated for the per-unit cost disadvantages. "The chief disadvantage of the German automobile industry is not high wages and shorter working hours, but instead the shortcomings and problems in organization and management," the newspaper said.

German companies, admitting that for too long they have relied on the "Made in Germany" tag as an assurance that they can compete on the world's markets, are also saying they have to learn cost-efficient production from the Japanese.

"Manufacturers in Europe need 36 hours to build a car," noted Louis Hughes, the chief executive of Opel. "The Americans need 25 hours, and the Japanese only 17 hours."

DOUGLAS SUTTON is the business-economics editor at the German Press Agency (DPA) in Hamburg.



# West's Research Funds (and Problems) Shift East

By Steven Dickman

**M**UNICH — On the surface, the restructuring and rejuvenation of science and technology in Eastern Germany after unification appears to be a remarkable success story. In less than two years, the united Germany has dismantled the bloated East German Academy of Sciences, created dozens of new institutes and university research groups, and pumped in millions of dollars worth of sophisticated equipment, leapfrogging the East German researchers to a point years ahead of even their envious West German counterparts.

Consequently, the level of government support for East German scientific institutes has already soared to close to the standard level in the West. The fact that East Germans are still paid 40 percent less, on average, than West Germans leaves even more leeway for the purchase of new technology.

But building up the East has meant cutbacks in the West, and the quick pace of restructuring has meant that all the problems of West German science are being shifted eastward. The result is that many influential Germans fear that the shift of funds could, paradoxically, hurt the competitiveness of the entire country.

"It seems like we are making the same mistakes all over again," says Dieter Simon, chairman of the Cologne-based Science Council, an independent organization that gives advice to the government about science policy. Despite these investments, says Mr. Simon, "I am afraid that we will wake up in 10 years and find that Germany still has the same problems in research and higher education, but on a larger scale." These problems include grossly inflated numbers of students chocking universities; a lack of highly qualified technical personnel for research-and-development-based industry; and too many inflexible research institutions unable to adapt to solving current problems.

Both Mr. Simon and a broad cross-section

of East German researchers interviewed agree that, in its haste to set up viable structures in the East, Germany has missed an opportunity to reform its own problematic research structures. Mr. Simon said he had "no doubt" that Germany's competitiveness would suffer because of the government's policies.

Even critics like Mr. Simon admit that most of the money that has poured into Eastern Germany so far has been well and wisely spent. For example, the Munich-based Fraunhofer Society for Applied Research has created 19 research institutes and outstations in the former East Germany. Taking personnel from the now-disbanded academy, the society has tried in fields as diverse as solid-state physics, polymer chemistry, cybernetics and optics, to create centers of excellence that can serve as a creative engine for East and West German industry.

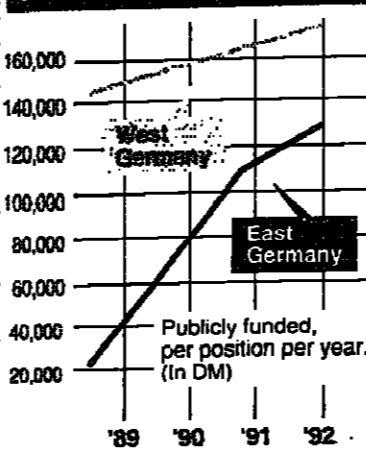
In an important strategic move, the society has chosen to allow the East German researchers considerably more freedom in their first few years, requiring that they bring in only 25 percent of their operating budget through industry contracts. The comparable figure in society institutes in the West is 80 percent.

Electron microscopist Meinhard Kuna of the Fraunhofer Institute for Material Mechanics in Halle praises the initiative as far-sighted, since it will allow time for the East German researchers to do truly innovative research. "We have a chance," says Mr. Kuna, "to advance into a new field that will make us attractive not just to Germany or even to Europe, but to the entire world."

But the Fraunhofer Society managed to save only 900 of the academy's original 24,000 employees. New research institutes have absorbed roughly 9,000 more, and universities are expected to absorb an additional 2,000.

For these researchers, and for the ones that the East German institutions hope to attract from the West, the money already spent is clearly not enough, says Detlef Ganten, the director of the new national labora-

Investment in Research



Source: German Science Council

tor for biomedical research in East Berlin. "We will have to invest twice as much if we expect to attract a reasonable number of high-quality people within a reasonable time," says Mr. Ganten.

The money problems are not limited to the East. The heavy investment there is taking its toll on the West as well, especially in the 13 existing national laboratories, which focus on areas like high-energy physics, nuclear safety and cancer research.

Last year, the Ministry of Research and Technology (BMFT) froze the laboratories' nominal budget for at least three years, resulting in real cuts of 4 percent a year due to inflation.

"BMFT told us our national laboratories would have to compete for project-oriented funds" in order to make up the difference, laments Peter Silberbach, an official at the Science Ministry of North Rhine-Westphalia. But now these project funds are "nowhere to be seen."

Cutting back the national labs might seem like a blessing in disguise, since they have

long been criticized for being overstaffed and inflexible. But Wilhelm Krull of the Science Council warned that, unless the ministry takes the utmost care in setting priorities, the cuts will hurt the most in the newest and least well-established areas, which are also the most likely to be internationally competitive.

All the researchers interviewed see even larger problems in the area of industrial research. For a country that is a world leader in R&D-based exports, the government has done little to assure a proportional representation of such industry among the new or revamped companies in the East.

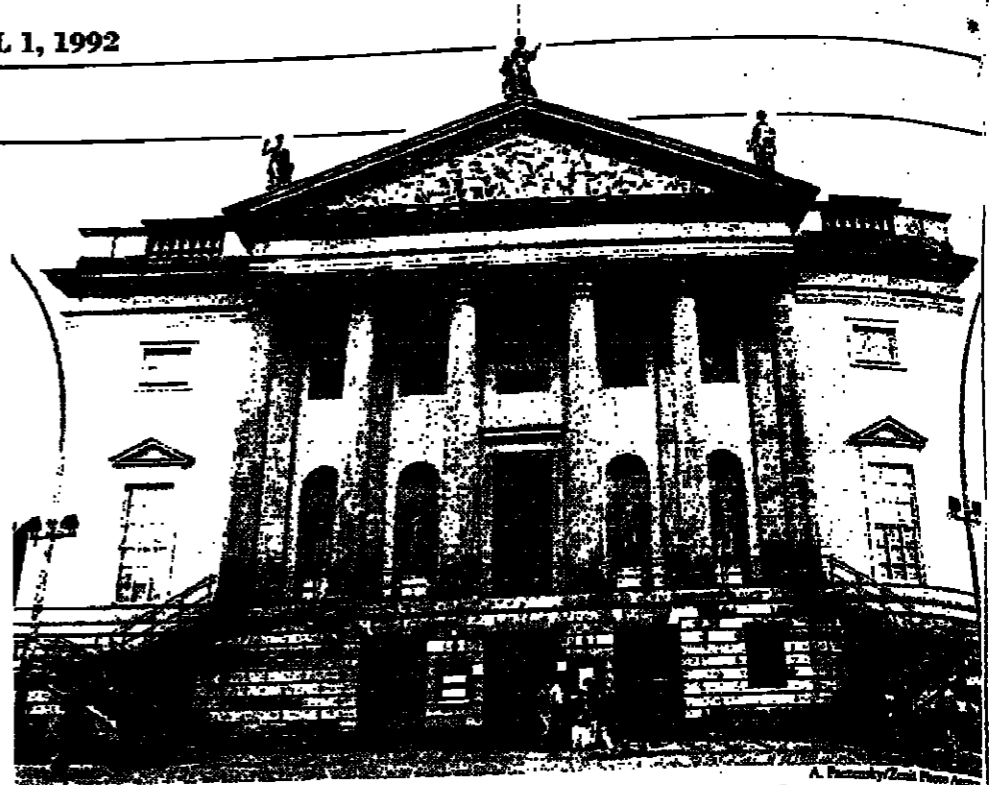
Although Eastern Germany used to be the former Soviet bloc's most successful high-tech exporter, virtually all of its R&D-based industry has been bankrupted or bought by Western companies, which have shut its research down.

The Kohl government admits that it has so far been disappointed with the level of investment in industry in general, and research-oriented industry in particular, in the eastern part of the country.

Foreign Minister Hans-Dietrich Genscher has urged the government not to neglect research-oriented industry in the East. In a recent speech, Mr. Genscher called upon policymakers to answer both parts of a "double challenge," building up the economy of Eastern Germany on the one hand without neglecting the high-technology challenge of Japan and America on the other.

Despite all the criticisms, when researchers take a long-term perspective, they tend to be optimistic, especially concerning publicly funded research. "We have to remember," says Mr. Ganten, "that if we evaluated the universities in the West as rigorously as we have evaluated the East German Academy, half of those universities would be empty overnight."

STEVEN DICKMAN is a free-lance writer specializing in science and technology based in Munich.



The Berlin State Opera on Unter den Linden, one of the city's three opera houses.

# A Decentralized Theater Life

By David Stevens

**O**NE of the cultural side effects of the reunification of Germany has been the reintegration of the largest and most concentrated system of professional theater of any country in the world.

The numbers alone are impressive. One source reckoned before unification that there were 225 theaters in West Germany and 80 in East Germany. The weekly newspaper *Die Zeit*, which prints a full page of each week's theater programs — extensive if not exhaustive — currently lists almost 100 cities and towns, and a total of about 250 theaters. Of these, 58 are opera houses or theaters in smaller cities where musical theater shares the stage with drama. This does not count eight cities in *Die Zeit's* listing — four each in Austria and German-speaking Switzerland. In the German-language theater world, the borders are invisible.

For the most part these are *Staat* (state) or *Stadt* (municipal) theaters, subsidized by public funds to the tune of at least half of the budget, but more likely closer to 75 or 80 percent. There may be the occasional approval over a specific production or a scream from an outraged politician, but there do not seem to be any Jesse Helmses to question the basic commitment. The thriving state of German theater is all the more remarkable when it is recalled that in 1944 all theaters and festivals throughout the Third Reich were ordered closed and at war's end something like 70 percent of the theaters in Germany had been destroyed.

The repertory was in bad shape, too, for virtually nothing written in Germany between 1933 and 1945 was acceptable on a postwar stage. For some time the contemporary repertory was supplied mainly by Swiss playwrights like Friedrich Dürrenmatt and Max Frisch or returned exiles like Carl Zuckmayer. During the Nazi period it was Swiss theaters — notably the Zurich Opera, (the world premiere of Alban Berg's "Lulu") and the Zurich Schauspielhaus — that kept aloft the standards of German theater.

Theater is so widespread in Germany in part because history has made the country politically decentralized. For centuries the idea of nationhood was mainly a linguistic and cultural one. Not even Berlin can match the overall theatrical activity of Paris or London, but there are perhaps a dozen cities in Germany with more to offer than any provincial center in centralized Britain or France.

Another reason is more elusive, but it has to do with a social attitude toward the arts in general. A theater is taken for granted in even relatively small or obscure communities, along with a unified view of theater that allows Shakespeare, Schiller and Goethe to coexist with more recent classics and contemporary works, and with musical theater in all its forms. Public theater in Europe in its present form is largely a creature of the 17th century, and until 1871, the country was fragmented into various kingdoms (Prussia, Saxony, Bavaria, Württemberg) and dozens of tiny principalities and duchies whose rulers modeled their courts on those of the Bourbons or the Habsburgs, building imitation Versailles palaces and patronizing the arts.

When the princely life vanished in the debacle of

1918, the theaters remained, but supported by the new political structures and the bourgeoisie, who accounted for most of the audiences anyway. It is hardly surprising that the theatrical establishments of major cities like Berlin and Munich should continue, supported by the urban tastes of a large population, but others cannot be explained without reference to history.

The National Theater in the relatively modest city of Mannheim derives from the cultural ambitions of the prince-electors of the Palatinate. If one of them, Karl Theodor, had played his cards right, he probably could have had Mozart as court composer and Schiller as court poet. He blew that, but later, when he inherited the Bavarian throne as well, he redeemed himself somewhat by commissioning Mozart to write "Idomeneo."

The Deutsches National Theater of Weimar is celebrated out of all proportion to the significance of the city, merely because Goethe came to town in 1774 and more or less ran the cultural establishment of the ducal court.

Hesse, at one point in history, was broken up by dynastic vagaries into three duchies, as a result of which now Kassel, Darmstadt and Wiesbaden all have a Staatstheater, although none of them matches in size and scope the municipal theaters of Frankfurt, Hesse's metropolis, where the background is purely mercantile.

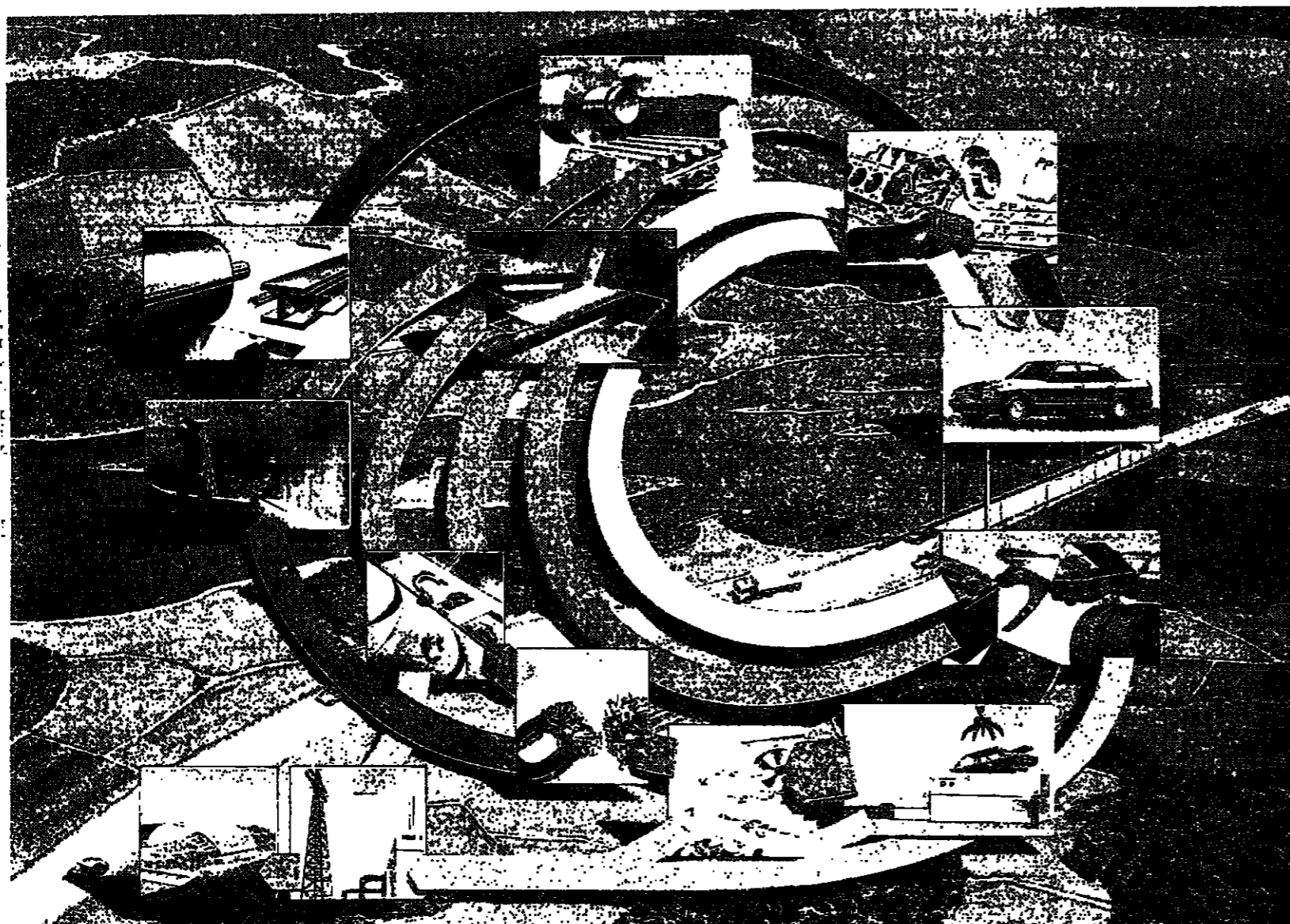
It was in mercantile Hamburg, too, that the first public (i.e. non-princely) opera house north of the Alps was opened in 1678, the beginning of an unbroken tradition. But Bochum, in the industrial Ruhr, had no theatrical history to speak of until after World War I, yet its playhouse has acquired an enviable reputation under such radical directors as Peter Zadek and Claus Peymann (now the embattled head of Vienna's Burgtheater).

It is not just the number of theaters in Germany that contributes to the richness of the diet, but the amount of work they do. Most, especially the larger ones, are open 10 months a year or more, performing five to seven nights a week. Organizations like the combined municipal theaters in Frankfurt include opera, ballet and drama companies, an orchestra (which also gives occasional concerts), a chorus, substantial acting and singing and dancing troupes, not to mention administrative and backstage personnel.

And Germany is the only country where most of the theaters still function on a repertory system, which means the ready availability of a large roster of works and the artists to perform them, as well as an army of subscribers to keep happy. This year, for example, the Cologne Opera has a repertory of 27 operas, six of them new productions and four major revivals, and including two cycles of Wagner's "Ring," and its Tanz-Forum dance company has a repertory of 20 works, two of them new.

These are factories for producing theater and, not incidentally, creating jobs. And a look at the rosters shows that German musical theater still makes use of, say, lots of American and English singers and Hungarian and Japanese violinists.

DAVID STEVENS is on the staff of the International Herald Tribune.



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On Record, the Tales of Two Bruces

Springsteen: He's In Deep Trouble; Lenny: He's Clearer Than Ever

Let me make the songs of a nation
and I care not who writes her laws.
— Andrew Fletcher, 1703

By Mike Zwerin
International Herald Tribune

ALONG with the collapse of Communism, there appears to be a crisis of confidence in Democracy. Step back for perspective anywhere, you get a jaundiced eye. Step in the same direction listening to Western pop music, you get diseased ears. Music reflects society.

Heavy metal and rap exist below the subsistence level, like 40 percent of the Russian people. Jazz, democratic classical music, survives on food stamps. The best of traditional rock 'n' roll is said to be Bruce Springsteen, who has just released two new albums — "Human Touch" and "Lucky Town" — after a five-year sabbatical. We're in deep trouble.

Listen to either title track and you grasp at straws and sigh — ah, at least we can count on good old Bruce. After two whole sides, however, 24 tracks, it becomes clear that The Boss has also lost his claim to citizens' confidence. They add up to limited variations on the same old songs, familiar four chords, old gambits (though he's been listening to country music and plays better guitar) and worn images.

Each Bruce Porter song was different. Willy Nelson sings a succession of songs. A new song by The Beatles was new. Randy Newman's literate commentaries about our decline are timeless. As were, come to think of it, Bruce Springsteen's on "Born to Run."

Rich and a superstar now, he no longer feels qualified to represent the working man with his blue-collar blues. In "Local Hero" he comments on the price of joining the elite: "First they made me the king / Then they made me a pope / Then they brought me rope." He wants to build a wall "so high nothing can burn it down" to protect his son ("Sons of the Departed"). Even staying home with the only thing he can count on, his family, doesn't work. In "57 Channels (and Nothin' On)," he loses his lover and shoots his TV "in the blessed name of Elvis." Hardly new insights — Pink Floyd dealt with a wall and rapid TV years ago; and Paul Simon, for one, dealt with Elvis.

THE problem is aggravated because I am writing about this and not jazz tenorman Joe Henderson's magnificent new album "Lush Life" (Verve). Joe's not new, while Springsteen is impossible to avoid. For this, we can conveniently blame record company marketing. But it's more than that — we are living in a time of form over content.

It's difficult to trash Springsteen. He does his best within the bankrupt form. He's trying to say something. He's certainly likable. We should all have such a sympathetic boss. It's also difficult to avoid the conclusion that rock has become what musicians and journalists strain to find increasingly flowery adjectives and poetic metaphors to avoid admitting. A product. Twenty-four tracks and nothing on.

The kid who discovered you could get high sniffing airplane glue enters a toy store and says

to the owner: "Hi. Nice store you got here. Give me a nickel's worth of pencils, the Big Boy tablet, some jujubes, a Tailspin Tommy book — and 2,000 tubes of airplane glue."

In another of his routines now heard clearly thanks to the miracle of digital technology on "The Lenny Bruce Originals" (Fantasy), a two-CD reissue of four LPs of dubious sound, Bruce said: "I'll never use four-letter words for shock value or for a laugh, but if it fits the character then I want to swing with it."

Nowadays, you hear more taboos violated on afternoon soaps and best-selling records than in the routines Bruce was busted for. He liberated the language trying to prove that there are no dirty words, just dirty minds. It isn't the words

mother, an Irish priest, a black prison inmate, a junkie, a redneck, a society bandleader, a police officer, a rabbi, the voice of The March of Time and the "white collar drunk . . . hypocritical, clean shaven, buffed nails, whacked out of his skull" talking to a "good legit Gallo wine man."

We also forget that he was hardly playing to hordes in arenas. On the live tracks of these albums, recorded between 1958 and 1960, it is obvious that these "bust-out joints," as he called them, were small and often not full. Sometimes it sounds like only the band's laughing. When he first surfaced in the early '50s, his public was musicians, bartenders, strippers, beatniks and their friends. Then, by word of mouth, friends of friends. During his most creative period, the early 1960s, 400 or 500 was a packed house. By the time he reached millions over major media, he was approaching burnout before death by heroin overdose in 1966.

HE was the epitome of "hip." With his wide and cultivated frame of reference, he could certainly be called "far out." He stretched the envelope. The majority never got all of it. At the end of "Religious Incorporated," about a convention of religious leaders discussing industry problems, the evangelist Oral Roberts accepts a collect call from the Pope: "What's shakin', baby? . . . When ya comin' to the coast? . . . No, nobody knows you're Jewish. . . . And Philly Joe says hello." Now that's not funny unless you are aware that Philly Joe Jones was Miles Davis's drummer, and a very hip dude indeed. The glossary in the album notes is welcome.

"Lenny flaunted Jewish pride," Grover Sales points out in the notes. He goes on to quote Bruce in San Francisco's Jazz Workshop in 1961. It was the only time the club ever booked a comic, he shared the bill with Ben Webster. He said: "If you're from New York and you're Catholic you're still Jewish. If you're from Butte, Montana, and you're Jewish you're still goyish. The Air Force is Jewish, the Marine Corps is goyish, George Jessel is goyish. . . . Ben Webster is very Jewish. I've got an uncle who looks exactly like Ben Webster." (Two nights later he was arrested for using the vernacular for fellatio. Meryl Streep used the same word in "Sophie's Choice," a role that won her an Oscar in 1982.)

In "How to Relax Your Colored Friends at Parties," Bruce assumes a drunken WASP persona making small talk with a bourgeois black guest in a neighbor's house. He begins with tact: "That Joe Louis was a hell of a fighter."

When a customer asks the jinni who minds the candy store after granting the owner's wish for a trip to Atlantic City to "make me a malted," the jinni obliges: "You're a malted."

The 20-minute routine about the sad Borscht Circuit comic who bombs when he goes to play a "class house," the London Palladium, is a classic of contemporary storytelling. Dick Gregory, the comedian-turned-social-critic, called Bruce "the eighth wonder of the world. You have to go back to Mark Twain to find anything remotely like him. If they don't kill him, or throw him in jail, he's likely to shake up the whole country."



Bruce Springsteen

that matter, he said, it's what's between them. However, there's a "missing link," as Bill Cosby puts it: "These poor kids, man, who are doing all the swearing and what-not, they missed the point with Lenny. . . . And now you're loaded with a whole bunch of people who are just foul-mouthed, scatological, irresponsible, anti-social." These days Bruce's tone of voice and vocabulary seem closer to Bart Simpson than Ice-T. He took forbidden language and subject matter out of the closet because he thought we'd be the better for it — more aware, secure, happy. In the process, they called him "sick."

In a routine called "The Tribunal," Bruce says that what's really "sick" in our society is that teachers in Oklahoma earn a top annual salary of \$6,000 while Zsa Zsa Gabor gets \$50,000 a week in Las Vegas. For a similar "crime," Bruce's heavenly Tribunal sentences "Mister Junior," Sammy Davis Jr., to "30 years in Biondi."

All the sociological and legal analyses and subsequent tributes tend to make us forget that he was just plain funny. With his mastery of dialect and amazing ear for detail (an agent's "pool isn't in yet but the patio's dry"), he was an astonishing mimic with a wide mastery of accents, textures and argots — a Jewish grand-



A scene from the television movie "Stompin' at the Savoy," directed by Debbie Allen.

Debbie Allen: Breakthrough Time

By Jennifer Dunning
New York Times Service

NEW YORK — Debbie Allen had one of the most formative experiences of her life when, at 16, after 11 years of training, she auditioned for the North Carolina School of the Arts as a ballet student. When she was asked to demonstrate steps for the other auditions, the young black dancer assumed she was a show-in. But she was turned down and advised to pursue jazz or modern dance; her body was not right for ballet, she was told; it was a familiar observation for black dancers.

"I can't believe you failed," her mother told her already wounded daughter later. Her words, but Allen looked back on them as inspiring. "She wouldn't allow me to feel pity."

Today, at 42, she has proved herself on Broadway, in film and in television as a dancer, actor, singer, choreographer, director, writer and producer, among the very few black women on the verge of breaking through as a director of a major studio film.

One test of her readiness will be Sunday's broadcast of the CBS television movie, "Stompin' at the Savoy," which she directed. Her choreography was showcased Monday during the Academy Awards program, her second year choreographing the Oscars.

A woman who has consciously chosen to deal with black themes and talks of how important being black is to her, she nonetheless resists being pigeonholed. "Certainly, my blackness has shaped my experience, my passion, my pain. But I'm an artist, and I would like to be looked at as an artist. 'Stompin'" is a powerful, engaging story. I'm not a black director directing black people. I'm a director finding a story and telling it."

"Stompin' at the Savoy," written by Beverly



Debbie Allen: "Getting there."

M. Sawyer, is about four young black women from Brooklyn in the 1930s and '40s who dream of love and financial success and spend their evenings off at Harlem's Savoy Ballroom. It is her third television movie.

She is also director of the hit-NBC series "A Different World." She is credited with having kept the program, a "Cosby Show" spinoff about black college students, on the air after its first, unsuccessful season in 1987. It is now among the top 20 prime-time shows. She has been working on a Broadway musical and has developed three movie projects.

Allen's first taste of formal theater training came at Howard University in Washington. She spent summers at the American Dance Festival in New London, Connecticut, setting on a career as a Broadway performer after graduation. With the 1986 revival of "Sweet Charity," she became a star, then moved into television as a director and performer. There were roles in

movies, among them "The Fish That Saved Pittsburgh" (1979), during the filming of which she met her husband, the basketball star Norm Nixon, and a 1988 network special called "The Debbie Allen Show" that she starred in, directed, produced, co-wrote and choreographed, winning two Emmy nominations.

Along the way, she learned from Bob Fosse, who told her to be herself rather than mimic Gwen Verdon in "Sweet Charity," that actors had to be free. She learned that television had to be as spontaneous as live theater. She learned to be tough on "A Different World," which she modeled on her own tumultuous years at Howard in the 1960s.

So where is the Hollywood film one might have expected by now of her? Was Washington Hudlin, president of the Black Filmmakers Foundation and producer of "House Party," accurate when he commented that sexism is even more powerful in Hollywood than racism?

"I don't know if it is sexism or just that we haven't had the opportunities," she said. Women are said to make small movies about personal issues of limited interest to the general public. Allen disagrees.

"Thelma & Louise" was really a breakthrough movie. We haven't had enough movies like those great Joan Crawford and Bette Davis films. People want to see them. Hollywood is very much a man's world. We don't have a woman who can green-light a movie or order a TV show. But we do have a lot of women producers. Sometimes I sit in a room and it's full of women. I think we're getting there."

Suddenly meditative, she reaches back to her early love for an analogy. "Dance is about rhythm and time. Our lifetime is very small in the bigger scheme. That is not to say we shouldn't push. But we're getting somewhere. I think we have to keep a positive attitude and not get too angry. But stay defiant and strong. Anger and defiance are two different things."

The Fringe Looks Back to Midcentury

By Sheridan Morley
International Herald Tribune

LONDON — Theatrical history moves in mysterious ways. While the commercial West End resolutely turns its back on the well-made dramas of the midcentury that were once its lifeblood, it is left to the London fringe to bring them back to an often intriguing afterlife and a potentially new audience.

Sam Walters's splendid new Or-

almost unknown "Post Mortem," Priestley in his "time plays," all looked at this soft underbelly of home-county nostalgia, and all concluded that the state of the nation was distinctly unhealthy. But those who, like them and Rattigan, wanted successful Stratfordbury Avenue careers, learned to coast their cynicism or despair with a veneer of drawing-room comedy. Ackland never did, which explains his neglect and the bitterness that links him to John Whiting, but few others.

His characters are all experts at stopping the clock: the old teacher (Stephanie Cole) who acts as landlady in a tiny room off the ball clock as the play begins. Her star pupil (Belinda Lang) a failed ballerina, spends the rest of the evening rejecting one lover (Malcolm Sinclair) who has seen the future and wishes to build air-raid shelters, for another (John Hudson) who has been unable to leave his school days or accept any adult responsibilities.

Their one outside visitor, Edmund Reade (Don Fellows) is a thinly veiled but savagely funny portrait of D. W. Griffith, unable to come to terms with the talkies and still desperately reviving his classic silent for a new audience that wishes only to giggle at their apparent inadequacies. All Ackland's people are clinging to the dead, and "The Dark River" is ultimately about the malign power of personal and national pasts.

It is also a passionate play about people living in the ruins of privilege and on the verge of terrible

things but unable to take any of the necessary precautions. Sam Walters gives it a powerhouse production that only reinforces the sense of shame and regret at the failure of the National or virtually any other theater in this country to give Ackland the revivals that were his due in his long lifetime.

ENID Bagnold, whose "The Chalk Garden" is at the King's Head in Islington more than 30 years after it was first seen on Broadway with Gladys Cooper and in London with Edith Evans, had rather more commercial luck in that she never demanded too much of her audiences or her producers. This is at one level a country-house mystery about a murderess who returns as governess to an unruly child. It is also a weird and wondrous mix of Agatha Christie, J. M. Barrie and Frederick Lonsdale. The chalk garden can be seen as a metaphor for England, and the people who come to tend and inhabit it as the direct descendants of those assembled by George Bernard Shaw in "Heartbreak House."

Student pranks like this work well enough late at night on festival fringes, but central London theatergoers are apt to feel a little shortchanged despite the energy and versatility of Reed Martin, Jess Borgeson and Adam Long.

At the Arts, the three-man Reduced Shakespeare Company from the United States is performing its mini-Bardic cabaret routines, in which all 35 plays of Shakespeare are acted in 90 minutes, with "Hamlet" done backward in 90 seconds and "Titus Andronicus" as a television cooking show.

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MEDIA MARKETS

Mega-Station Cable Poses Threat to Video Industry

By Peter M. Nichols  
New York Times Service  
NEW YORK — With the start-up of Quantum, Time Warner's 150-channel cable-television system in New York, the home-video industry is focusing much more intensely on a question that it has faced for years: Will the advent of vastly expanded cable systems and other technologies mean the end of the videocassette and the video store?

The answer to that, several analysts say, is no, at least for now and perhaps never for the strongest video stores.

By the mid-90s, the stores will have to confront more competition from pay-per-view for hit titles, but it's certainly not a killer for the video business, said Craig Bibb, an entertainment industry analyst at Paine Webber.

In the next few years, technologies like digital compression and fiber-optic transmission lines will enable cable operators and possibly the telephone companies, to transmit hundreds of channels. Eventually, they may enable pay-per-view systems to deliver a huge number of movies to homes.

Digital compression uses various computerized techniques to squeeze three to 10 programs into a single channel. The technology, cable executives say, will be ready by the middle of the decade. But to install new digital systems, the carriers must replace the cable equipment in every home. That is likely to be a costly process that will continue well into the next century.

Pay-per-view television has been around since the late 1970s. According to Paul Kagan Associates, a media research company in Carmel, California, 15.2 million of the 54.1 million American households with cable television can receive pay-per-view movies. To date, however, programming has been limited.

Time Warner's Quantum system is a preview of the competition that video stores may face from pay-per-view services one day. Since December, the company said, its Brooklyn-Queens Cable has installed Quantum in about 2,500 homes in the Whitestone and Bellerose sections of Queens.

OF QUANTUM'S 150 channels, about 55 deliver a choice of 17 movies around the clock. The April schedule lists six hit movies — including "Boyz n the Hood," "The Doctor" and "Dead Again" — which start every half-hour and cost \$3.95. Other categories include children's, action, art and foreign and adult movies.

"These 55 channels are what we call bringing a video store into your home," said Richard Aurelio, the president of Time Warner Cable's New York group. "It's a virtual video-on-demand service."

The term "video on demand" implies that viewers would be able to order up any movie, any time. "Video on demand is what the pay-per-view operator would like you to think he's offering, but he's not," Mr. Bibb said. "The time frame is 10 years away."

As such, many video stores plan to continue doing what they think they do best: dispensing videocassettes in exciting packages, recommending films, and, above all, allowing their customers to browse for movies, which they cannot do on cable systems. Cable, they add, may be fine for the top 10 hit movies, but it offers a very small selection of other titles.

"In video stores, a lot of movies get exposed that otherwise would never get seen," said Don Rosenberg, executive vice president of the Video Software Dealers Association, an industry trade group. "I don't care how many titles you offer on a pay-per-view system. If someone can't touch them and feel them, or talk to someone who can say, 'I saw that — it's a good movie,' it's never going to get rented on that system."

Mr. Rosenberg also emphasized another benefit of watching a movie on videocassette: the tape can be stopped and started, as well as rewound and replayed.

The video stores also have an important ally: the movie studios, which have a vested interest in selling videocassettes.

U.S. Open for Unsubsidized Steel as Talks Fail

Compiled by Our Staff From Dispatches  
GENEVA — The U.S. steel market will be open to all suppliers after international trade talks failed to extend voluntary export restraints on Tuesday, but Washington is expected to use an arsenal of legal weapons to combat sales by subsidized producers.

The failure of 36 countries to conclude a multilateral steel agreement echoed a dispute between the United States and the European Community, Japan and South Korea at the world trade talks under the auspices of the General Agreement on Tariffs and Trade. The steel negotiations took place at the GATT headquarters in Geneva but were technically separate from the Uruguay Round of talks to liberalize world trade.

The crux of the steel dispute was subsidies. Rufus Yerxa, deputy U.S. trade representative and chairman of the steel negotiations, indicated other countries tried to put too tight a box around American trade laws that allow anti-dumping duties and countervailing duties on subsidized goods.

The EC, Japan and South Korea wanted the accord to restrict U.S. anti-dumping duties. In the GATT talks, these three have been the most adamant about protecting their farmers with subsidies.

"We cannot accept an agreement that lacks meaningful disciplines over subsidy practices and unduly restricts our ability to use domestic trade laws to counter those practices," Mr. Yerxa said.

The EC and many other nations have criticized the United States in various contexts for taking unilateral trade action, but GATT rules permit anti-dumping and countervailing duties.

An EC negotiator accused the U.S. delegation of taking ever-tougher positions in recent weeks because of pressure from its big steel companies. "The American position deteriorated day to day," he said.

Another complicating factor was that a number of countries were following the example of Brazil and Hungary in seeking waivers from the agreement to allow them to keep government supports during a transition period.

A draft text proposed phasing out import tariffs over 10 years and creation of a body to help eliminate nontariff barriers. It would limit the types of subsidies allowed.

The United States had so-called voluntary restraint agreements whereby other countries agreed to limit exports to 20.2 percent of the U.S. market.

Mr. Yerxa confirmed the restraint agreements would expire. This in theory means other countries will be free to export more steel to the United States. But in practice it is likely to mean an increase in retaliatory trade measures and duties to keep out foreign companies.

Representatives of the U.S. steel industry have already warned that, in the absence of an international accord, they would act against foreign competitors by taking advantage of domestic laws to counter subsidies and dumping.

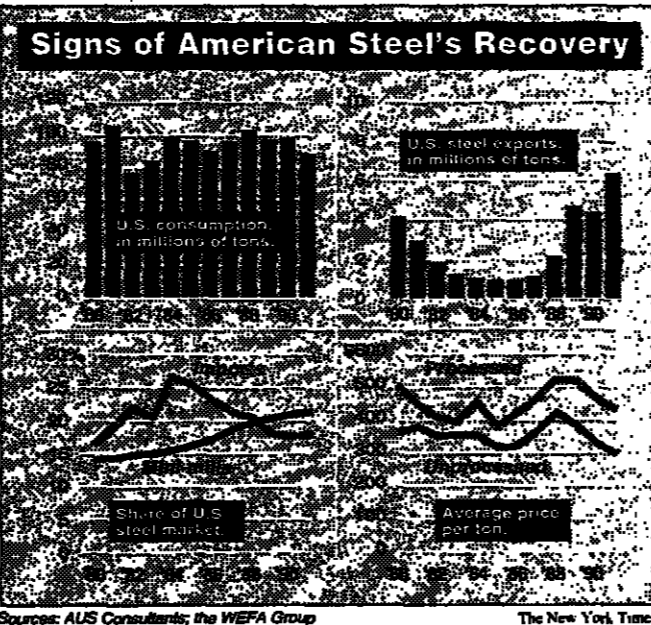
"Our industry deserves to have some kind of protection against unfair subsidy practices," said one U.S. official who did not want to be named. He said U.S. producers were now highly competitive, compared with foreign companies that relied on massive government subsidies.

The official said that, at the international level, subsidies to the steel industry totaled about \$65 billion in the 1980s. World steel trade is worth about \$110 billion a year.

Another argument against an immediate flood of steel into the United States was that many nations have been unable recently to export all they were allowed, partly due to a weak dollar.

Mr. Yerxa said negotiations would continue but no schedule was set. "I regret that we have not achieved our goal for a long-term solution to the problems in this sector," he said.

"I remain convinced that such an agreement to discipline subsidies and market-access barriers in this sector would be in everyone's long-term interest. We should continue our efforts." (Reuters, AP, AFP)



Source: AIS Consulting; the WFA Group. The New York Times

American Firms Ready to Compete Following a Decade of Protection

By Jonathan P. Hicks  
New York Times Service  
NEW YORK — The steel industry, long a symbol of decay in industrial America, has undergone a transformation in the last decade that has drastically sharpened its competitive position.

The U.S. government, which has provided a decade of protection from imported steel, has decided not to extend quotas on imported steel that expired Tuesday.

American steelmakers have so improved their productivity that the industry now often rivals — and in some ways outperforms — its competitors in Germany and Japan.

Thanks partly to the reduced value of the dollar, foreign steel shipments into the United States have fallen in recent years to below the limit the government set. And the industry is at its most efficient

ever, based on the man-hours needed to produce a ton of steel.

Exports, which in the last 20 years have rarely accounted for more than 2 percent of steel shipped from American mills, soared last year to 6.3 million tons, or about 8 percent.

"The steel made in the United States is equal in quality to steel made anywhere in the world now," said James M. Glazebrook, director of General Electric Co.'s trading operation. "And the industry is now being recognized more and more throughout the world, not only for having top quality, but for being among the best in the world in efficiency. You could never have said that 15 years ago."

Trade protectionism gets some credit for the comeback of the big steelmakers, but so does domestic competition from low-cost, nonunion See STEEL, Page 17

Aviation Officials Fret About Ex-Soviet Airspace

By Michael Richardson  
International Herald Tribune  
SINGAPORE — Failure of the Commonwealth of Independent States to hold together could severely disrupt international air links between Asia and Europe, aviation officials said Tuesday.

If air traffic over the former Soviet states was blocked, it would cause "a tremendous problem" by forcing diversion of many planes to alternative routes, said Tony Laven, regional technical director in the Bangkok office of the International Air Transport Association.

This would add substantial time and costs to flights between East Asia and Europe, and increase already heavy air-traffic congestion in the two alternative air corridors, he said.

Many of the carriers flying between Asia and Europe have welcomed an assurance from Moscow that they can continue to fly over the former Soviet Union. But officials expressed doubt Tuesday whether the vital air-traffic agreement would last.

Every day, about 100 scheduled passenger flights, nearly all of them nonstop services, fly this route through the Commonwealth's airspace because it is the quickest way to and from East Asia.

Baharuddin Nordin, senior commercial director of Malaysia Airlines, said that use of CIS airspace "contributes significantly to fuel cost savings."

Some trans-Pacific flights north of Japan and Korea also pass through the Commonwealth's airspace.

The Russian federation, in an effort to reassure airlines and aviation authorities, recently said that the 12 states of the CIS had agreed to honor all the air space usage rights and aviation agreements of the Soviet Union.

A circular from Moscow said that Commonwealth members had agreed to "conduct a coordinated civil aviation policy, the most important element of which involves the use of airspace and air traffic control."

The message was sent by the Russian transport ministry to IATA, which has 205 member airlines, and the International Civil Aviation Organization, a United Nations agency.

Mr. Laven said that the assurance from Moscow provided a welcome "breathing space" for many Asian and European airlines that were dependent on access to the airspace.

"It is an important agreement but like everything else in the CIS it is a bit difficult to know how long it will last," he added.

Airline officials and aviation authorities in Asia are concerned that continuing ethnic conflict and political discord may lead to the breakup of the Commonwealth, forcing them to negotiate rights for transcontinental overflights with successor states.

John Wakeling, principal assistant secretary of the Hong Kong government's economic services branch, said that the possibility of having to negotiate new aviation arrangements covering CIS airspace was a major concern.

Air Traffic Bounces Back

GENEVA — Air traffic has recovered strongly from depressed Gulf War levels, data released Tuesday by the International Air Transport Association show.

The association said passenger traffic on international scheduled services jumped 46 percent last month from February 1991, at the height of the Gulf War, when 25 percent fewer people flew than a year earlier due to fear and economic worries.

IATA, always careful to report the financial difficulties of its 205 member airlines, cautioned that passenger traffic in January-February was only 10 percent higher than in the like period in 1990.

"It's not bad in a recessionary time," said one IATA official. But he pointed to a statement from the IATA director-general, Gunter Eser, who said: "It will be some months before the true extent of the recovery can be gauged."

One sign of improvement in the industrial sector came from the Chicago Purchasing Management Association barometer, which rose slightly in March to 52.8 percent from 51.2 percent, largely on improvements in production and new orders this month. The association said the regional index "presents a picture of an economy trying to recover can be gauged."

See ECONOMY, Page 16

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other financial data for various international currencies.

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INTEREST RATES

Table with columns for Eurocurrency Deposits, including terms like 1 month, 3 months, 6 months, and 1 year.

Table with columns for Key Money Rates, including US Money Market Funds and Asian Dollar Deposits.

Table with columns for GOLD, including prices for various gold-related assets.

SAS Raises Stake in 3 U.K. Airlines

STOCKHOLM — SAS increased its stake Tuesday in a company that owns three British airlines, creating a strong position in the Scandinavian airline's most important market outside the Nordic countries.

Scandinavian Airlines System will spend £25 million (\$40.5 million) over the next two years to buy 40 percent of the shares in Airlines of Britain Holdings, the parent company for British Midland, Manx Airlines and Loganair.

SAS already has a 24.9 percent share in Airlines of Britain and has cooperative agreements with the British companies.

For example, last July, British Midland took over ground service for SAS at Heathrow Airport, to which SAS operates 20 flights a day.

"This second investment in ABH cements our strategic position in the United Kingdom, our most important market outside Scandinavia," said the SAS president and chairman, Jan Carlzon.

"We anticipate further benefits in the future as British Midland continues the expansion of its services to Europe," said Michael Bishop, chairman of Airlines of Britain.

British Midland is trying to expand its international traffic, which now accounts for half of its business. Mr. Carlzon said the closer links would put SAS and the British companies in position for the opening next year of competition in the European airline industry.

Garuda to Buy Planes, Pare Fleet

Wage Mulyono, ordered the airline's expansion program to be reviewed shortly after he was appointed in January.

Mr. Mulyono told journalists Monday that "the decision to deploy aircraft from only two manufacturers is expected to reduce our operational and maintenance costs to achieve higher efficiency."

Currently Garuda flies Dutch-built Fokker F-27 turboprops and F-28 jets, McDonnell Douglas DC-9 and DC-10 jets as well as Airbus 300s and Boeing 737s and 747s.

Garuda reported a profit of \$100 million last year, up from \$69.6 million in 1990.

Mr. Siahaan declined to disclose the members of a consortium that would buy the planes. In the past, the consortium that helped Garuda lease several planes included PT Humpuss and PT Bimantara Citra, headed by two sons of President Suharto.

(Reuters, AP, AFP)

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MARKET DIARY

Program Selling Overtakes Rally

NEW YORK — Blue-chip stocks wiled away a barrage of computer-driven program sales just before the closing bell on Tuesday, surrendering most of a moderate rally to close with a minus value.

The Dow Jones industrial average edged 0.23 of a point higher, to 3,235.47, according to early figures. The blue chips had been up as much as 25 points during the day. Advances led declines by only a few issues at the close, but the ratio had been even for most of the afternoon.

New York Stock Exchange volume totaled 169.40 million shares, up from 131.90 million on Monday. Most of the aborted blue-chip advance had been attributed to window dressing by big investors, such as mutual funds, on the last day of the first quarter. But once they withdrew, program sales,

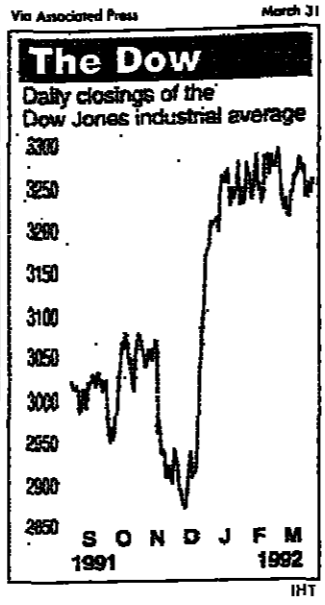


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EUROPEAN FUTURES

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Japan to Cut Discount Rate

TOKYO — The Bank of Japan was expected to cut its official discount rate before the local financial markets opened Wednesday morning, a senior Japanese government official said.

Another government official said the central bank would cut the discount rate by 0.75 percentage point, to 3.75 percent.

A rate cut had been widely expected, and was seen as a means of helping to boost Japan's economy, which is now showing signs of a slowdown. The rate cut would come just a day after the government adopted an emergency economic package.

Economists are expecting the Labor Department report to show a 50,000-job loss for March, significantly eroding last month's 164,000-job gain.

In economic news, the Commerce Department reported its Composite Index of Leading Indicators increased 0.8 percent in February, in line with expectations.

Meanwhile, the Conference Board reported consumer confidence rose a larger-than-expected 7 points, to 54, in March.

The dollar got a little bounce from the leading indicators and consumer-confidence reports, said Charles Spence, corporate foreign-exchange manager at First Interstate Bank of California in Los Angeles.

Last year the economy began expanding, only to fall back in the autumn, because of widespread fears about job security. Economists fear it could happen again if employment does not increase.

One reason for this Sisyphian pattern is the disclosure by the Bureau of Labor Statistics that its monthly statistics last year missed

about 650,000 workers who were counted as employed and on the payroll even though they had lost their jobs, a vast undercount that made the recession seem shallower than it actually was.

These monthly payroll figures, regarded by economists as more significant than the percentage of the labor force that is unemployed, are gathered from reports by companies of how many workers they employ.

Market participants said the dollar was locked in a tight range because most investors were marking time ahead of Friday's U.S. unemployment report for March.

At the close, the U.S. currency was quoted at 164.3 Deutsche marks, down from 164.6 DM at the close Monday, and at 132.75 yen, down from 132.925 yen. The dollar slipped to 1.4985 Swiss francs from 1.5005 francs, and to 5.71 French francs from 5.815 francs. The British pound ended at \$1.7365, up from \$1.7360.

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ECONOMY: Outlook Improving

(Continued from first finance page) break out to higher ground but with great difficulty.

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U.S. FUTURES

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ASIA/PACIFIC

Japan's Low-Key Recession Tokyo Frets, but Few Hard-Luck Tales Told

By Leslie Helm Los Angeles Times Service TOKYO — Sales of \$1,000 designer dresses have plunged, but department stores remain crowded with shoppers and Matsushita Electric's \$2,300 wide-screen television set is selling briskly.

Night clubs serving the young are still doing good business, but Guza bar operators say business customers show little interest in the bars' \$300-a-drink services.

The boom in stock and land prices of the late 1980s has turned to bust and now the problem is taking a toll on business and consumer confidence. Housing starts have plunged while corporate investment and consumer spending are slowing.

So far, Japan's economic slowdown has produced a lot of cautious behavior but few hard-luck stories. However, there is growing concern among economists, politicians and business leaders that the Japanese economic machine may be headed for a breakdown.

Although government officials insist the economy is merely going through a brief adjustment, Prime Minister Kiichi Miyazawa acknowledged the scope of the problem Tuesday by announcing a package of stimulative measures, including immediate spending on public works and tax cuts for small businesses.

The Nikkei average of 225 stocks fell 323.36 yen, or 1.6 percent, to 19,345.95 Monday, its lowest level since January 1987, when services reported.

percent decline in Japan's gross national product this year, the first since 1974.

The Bank of Japan, which has resisted pressure to cut interest rates, is expected to announce a 0.5 to 0.75 percentage point discount rate cut later this week.

Masaru Yoshitomi, director general of the Economic Planning Agency said Tuesday the measures would inject more than \$30 billion into the economy and help Japan attain its 3.5 percent growth target for this year.

Moody's Cuts Big Banks' Credit Rating

Compiled by Our Staff From Dispatches TOKYO — Moody's Investors Service Inc. said Tuesday it had lowered its credit ratings for four Japanese banks to reflect the deteriorating quality of their assets, affecting almost \$7 billion in debt.

Separately, bankers said that Japanese commercial banks had built up loan reserves totaling \$1 billion to cover possible losses in the Commonwealth of Independent States.

The banks downgraded were Tokai Bank Ltd., Bank of Tokyo Ltd., Mizumi Trust & Banking Co. and Hokuriku Bank Ltd.

Chung to Cede Control Of Hyundai Units' Stock

Compiled by Our Staff From Dispatches SEOUL — Chung Ju Yung, the South Korean tycoon turned politician, said Tuesday that he was ceding control of his multibillion-dollar stake in the Hyundai Group to protect the reputation of his new political party.

A Hyundai spokesman said Mr. Chung, who founded the group, would entrust his shares to his younger brother, Chung Se Yung, the current chairman of the conglomerate, which is South Korea's second largest.

The elder Mr. Chung founded the Unification National Party earlier this year to oppose the government of President Roh Tae Woo. The UNP won 31 seats in a general election last week, making it the second-largest opposition party.

cal activities," an indication the money would be used to finance his party. He said he would sell "as much Hyundai stock as possible."

According to South Korean press reports, Mr. Chung is thought to own stock in Hyundai subsidiaries that is worth about 2 trillion won (\$2.6 billion).

"In order for the UNP to become a public political party in name and reputation, it needs to break ties with the Hyundai Group," a UNP spokesman quoted Mr. Chung as telling reporters.

Investor's Asia table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and various regional indices with their respective values and changes.

Very briefly: • Chi-Tung Holdings Ltd., a brokerage owned by Standard Chartered PLC, was delisted by the Hong Kong Stock Exchange for failing to perform its duty in the sale of stock and warrants in Cathay City International by not settling a trade when the buyer did not pay on time.

Hitachi to Slash Executives' Pay For Civil Servants, A Shorter Week

Reuters TOKYO — Hit by weak performance in its semiconductor, computer and audio-visual businesses, Hitachi Ltd. will cut executives' salaries by 10 to 15 percent and delay raises for 9,000 managers by six months, a spokesman said Tuesday.

Eight top executives, including the chairman, president and vice presidents, are due for a 15 percent pay cut from April to September, while 27 directors will take 10 percent pay cuts.

The new working week is part of the government's efforts to cut average yearly working hours. Hundreds of Japanese die every year of karoshi, or overwork, according to the National Defense Council for Victims of Karoshi, which says Japanese work an average 2,168 hours annually, against 1,642 for Germans.

World Bank Cools On Yen Bonds

Bloomberg Business News TOKYO — World Bank officials took a step back Tuesday from ambitious plans to issue more yen-denominated global bonds, but defended the performance of the bank's first such issue.

Satellite TV for Singapore

Reuters SINGAPORE — Satellite-television news will be beamed into Singapore homes for the first time on April 2 with strict censorship rules remaining intact, broadcasting officials said Tuesday.

Shenzhen Is to Triple Stock Listings

Compiled by Our Staff From Dispatches HONG KONG — The number of companies listing their shares on the Shenzhen Stock Exchange, one of China's two bourses, is to triple in the next three months, a state-run newspaper said.

Large financial table titled 'INTERNATIONAL FUNDS' with columns for fund names, currencies, and values. Includes sub-sections like 'Other Funds' and 'RECENTLY LISTED FUNDS'.



# SPORTS BASEBALL

## Chisox, for More Clout, Get Bell From Cross-Town Cubs

The Associated Press  
The American League West just keeps getting better and better. Now it has George Bell, too.

The league's most valuable player in 1987, was traded by the Chicago Cubs to the Chicago White Sox on Monday for outfielder Sammy Sosa and reliever Ken Patterson.

Sosa and Bell are both from the town of San Pedro de Macoris in the Dominican Republic.

Bell, a nine-year veteran, spent seven turbulent years with the Toronto Blue Jays before signing as a free agent with the Cubs in December 1990 for a guaranteed \$9.8 million over three years.

"We got the guy we wanted," said the White Sox's general manager, Ron Schueler. "We got the pure hitter."

Bell, 32, has averaged 154 games, 28 home runs and 100 runs batted in during his eight full seasons in the major leagues. He won the MVP award in 1987 after hitting 308 with 47 home runs and 134 RBIs for the Blue Jays.

The left fielder hit .285 with 25 home runs and 86 RBIs for the Cubs last year.

Bell's addition bolsters a strong lineup that already includes Tim Lincecum, Steve Sax, Robin Ventura, Frank Thomas, Dan Pasqua, Carlton Fisk and Ozzie Guillen.

The White Sox finished 87-75 last season, second to Minnesota. Every club in the West was .500 or better in 1991.

Sosa, 28, batted .203 with 10 homers and 33 RBIs in 116 games with the White Sox. He adds speed and defense to the Cubs' outfield.

In Port St. Lucie, Florida, Dwight Gooden pitched three-hit ball over six innings in his most impressive performance of spring training as the New York Mets beat the Montreal Expos, 5-0.

Gooden, who is recovering from rotator cuff surgery last September, walked three and struck out five. He is to pitch the Mets' home opener against Montreal on April 10.

It was the seventh straight victory for New York, which at 15-9 now has the best spring record among NL teams.

For four weeks, Donald Fehr has been traveling through Florida and Arizona telling the members of the union he heads to expect the owners of the major league teams to employ a two-stage strategy in the next 12 months:

- Reopen the collective bargaining agreement in December.
- Lock out the players from spring training next February.

"It's almost a here-we-go-again thing," Fehr said after one of his recent meetings with players. "You don't take it as a certainty because a lot can happen between now and then, but at the moment, I assume they will reopen and I assume they will lock out. They have clearly left the impression with the players that they intend to lock out. If they do, it'll be a long one so you have to prepare for it. You plan for the worst-case scenario."

In planning for that scenario, the Major League Baseball Players Association is in the process of accumulating a fund that, a year from now, is expected to total between \$125 million and \$140 million. The money, which would be used in the event of an extended work stoppage, comes from licensing fees that the union is holding instead of distributing to the players.

But concern about a labor con-

frontation is premature, owners say. "We're a long way from making any of these decisions," said Bud Selig of the Milwaukee Brewers, chairman of the board of directors of the Player Relations Committee, the owners' labor body.

The labor agreement negotiated during a spring lockout in 1990 runs to the end of 1993, but either side can reopen it by giving the other side notice by Dec. 11, 1992. If the contract is reopened, either side would be free to "engage in concerted action."

"Obviously, reopening is an option we have and we'd be silly not to consider the option," said Jerry Reinsdorf of the White Sox, who is a member of the Player Relations Committee board.

Reinsdorf, whom the players view as one of the more militant owners, also acknowledged that if the owners did reopen and the two sides could not reach agreement, a lockout could loom.

"To me," Reinsdorf said, "all a lockout means is there's a work stoppage and the owners have decided the timing. A strike is where the players decide the timing. To me, if we can't reach agreement and we reach an impasse, a lockout is something that would have to be considered."



Orel Hershiser of the Los Angeles Dodgers lost his third straight this spring, giving up 10 hits, nine runs and walking four in five innings as the Kansas City Royals won, 9-2, in Haines City, Florida.

## The Shrinking World of Soccer: Birthrights for Sale, Small Fee

International Herald Tribune  
LONDON — What price a birthright? For four decades soccer players have been for hire, mind, body and soul. Now, for a small extra consideration, the sport finds ways to bend the laws of nationhood.

In Europe, Alexander Mostovoi of Russia has just become a Portuguese by means of a marriage of convenience to a lady he scarcely knew that so he can join seven other foreign-born players on Benfica's team.

In the West Indies, World Cup 94 has its first winner, Puerto Rico, featuring New Yorkers rather than Puerto Ricans. What a way to kick off the 382-match contest to scale down 138 entries to 22 qualifiers for the tournament proper in the United States.

One way or another, Americans will have a presence in the historic taking of the world game to them. The host team qualifies automatically, and the U.S. team's coach, Bora Milutinovic, a Yugoslav, is pulling every string he can to be able to include South African Roy Wegerle in his squad.

Why not? Everybody's doing it. New York semipro, never likely to catch Boca's eye, now call themselves Soccer America's first World Cup winners.

The farce reads like this. In December, Puerto Rican players united after their coach, Victor Hugo Barros, was fired. The federation did not try to find 11 men from 3.3 million islanders to beat the Dominican Republic in the two pre-preliminary round qualifying matches of the Caribbean North of the CONCACAF region. (Now you know why there are 582 matches!)

So the federation called in Arnie Ramirez, Long Island University's soccer coach, Ramirez, a Costa Rican not Puerto Rican, brought in 14 Americans, most of whom had never seen the Caribbean.

The loophole exploited by the federation, and condoned by FIFA, is that all Puerto Ricans have U.S. citizenship. The Dominicans protested, reasonably but in vain, that "the United States has a team in the World Cup, a country cannot participate with two teams."

Puerto Rico, by winning by 2-1 in the away match and holding on for a 1-1 draw at home last Sunday, claimed its first World Cup triumph. The decisive goal came from Mark Lugin, who by virtue of having a Puerto Rican mother, captained the team.

Who knows, if Lugin can negotiate time off from managing a New York City restaurant, he and his pals might be six games from taking Puerto Rico to the finals in their own country. The United States, that is.

I HAVE TO side with the boys of Santo Domingo in Jamaica, who lessons in national pride or fair play are handed to Dominicans like 16-year-old Omar Cuevas, whose effort on behalf of his republic has just been snuffed out by big brothers as much at home in Puerto Rico as Russians in Ukraine!

Not that we old European soccer stagers set much of an example. The Mostovoi "marriage" is par for the Portuguese course.

For years the big Portuguese clubs have used dual

citizenship arrangements to field Brazilian stars in addition to the permitted six foreigners per team in the domestic league (and only three in the European Cup).

Benfica, with two Brazilians, also possesses three Swedish internationals, and now three men who have played for what was the Soviet Union. Mostovoi arrived in Lisbon on March 12, obtained a certificate of marriage to an un-named divorcee (born in Leningrad but retaining Portuguese citizenship from her first marriage), and qualifies as a "home" player.

Indeed, Isaias, a Brazilian forward also married to a Portuguese, has similar status with Benfica.

You will be relieved to know that rules count for something, somewhere. Mostovoi will be unable to help Benfica in Wednesday's European Cup match against Dynamo Kiev because he was not signed before the stipulated deadline. At least, I think that is a rule which even Benfica might not circumvent.

Nevertheless, the old Lions of Lisbon, and their Swedish coach, will be eliminated. Barcelona requires only a tie in Prague against Sparta to reach the European Cup Final, and what reward that will be for Barca's hired Dutch, Danish and Bulgarian imports.

The other European Cup finalist could be the decepting thing to a team of "pure" nationals in the competition. Red Star Belgrade, the defending champion, has Serbs, Macedonians and a naturalized Romanian defender, Miordrag Belodedic, but in sport if hardly in reality, they represent Yugoslavia.

PEAK TO Red Star players and officials and they swear that soccer should have nothing to do with war or politics. They are angry that, while league matches go on with unmoled safety in the 100,000-capacity Red Star stadium, the team is ordered to play European Cup matches in Hungary or Bulgaria.

The "Wandering Serbs" are not losing, but the bank balance is gutted. Red Star reckons it has lost more than \$6 million on European Cup matches this season, even though its fans follow it in the tens of thousands.

This Wednesday, their support will be vital. Red Star has built up a one point lead, but its opponent now is the Italian champion Sampdoria, which beat Red Star, 2-0, in Genoa last November.

The goals came from Gianluca Vialli and Roberto Mancini. And though Vialli's temper has blown hot, hotter and violent, the team around him has been unbeaten in 15 Italian league matches since then.

The foreign theme might bore you by now, but it is worth mentioning that Toninho Cerezo, the aging Brazilian, and Srecko Katanec, one of hundreds of Yugoslavs abroad, have a pretty influential effect on Sampdoria's strategy.

It will be a tight, very, very cagey semifinal. A tie would benefit Red Star, so the onus is on Sampdoria to score and force the defending champions to show the goal-scoring power that makes Darko Panov and Dejan Savicevic certainties to join the exodus to Italian clubs.

The alternative, alas, is that there is no team more content to kill a game than Red Star. It won the European Cup on penalties last May, proving that pragmatism is the last thing in the world a Yugoslav finds foreign.

## It's the Naked Truth About Football Players

The Associated Press  
LONDON — Unlike the United States, lockerrooms are generally off-limits to the media after sporting events in England. The idea of a woman reporter in the clubhouse is especially unheard of.

So it was a novelty when the London Monarchs of the World League opened their lockerroom to accredited journalists — including women — after their football games.

Anne Barrowclough of the Daily Mail went into the dressing room following the Monarchs' 31-28 loss to the Frankfurt Galaxy at Wembley Stadium on Saturday night.

Her story, published Monday, probably will not win her many friends with the team, with feminists or with American woman sportswriters.

The article began: "American football players look better

with their clothes on than they do naked. Their shoulders are bigger, their bottoms smaller and their trousers do for their legs what lycra leggings do for those of teenage girls.

"When all that glittering apparel — huge shoulder pads, predatory helmets, sexy pants — come off, though, they are reduced to being just big men with huge thighs and overly fleshy stomachs."

The story continued: "Being in the lockerroom wasn't an edifying experience. The smell of stinky socks and fresh sweat does nothing for me. Some of the bodies, as I have mentioned, could have done with the Hip and Thigh Diet. And the conversation? Women fantasize about lockerroom chat. It holds the same fascination for them as purdah does for men.

"But all anyone wanted to talk about on Saturday was the game. I might just as well

have been in the pub after an Arsenal [soccer] match for all the enlivening conversation I got.

As for the game: "Nothing much seemed to be happening. This game was for first place in the European Division of the World League, but to the uninitiated it seemed that inertia ruled" and "the ball was constantly hidden under piles of players whose only occupation appeared to be butting each other with their helmets."

But Barrowclough found one redeeming feature: "The woman in front of me had decided that Monarch players Nos. 2 and 3 had the nicest bottoms on the field and we agreed that American football players are scier than English soccer players because their shiny leggings stop you from having to look at dirty, hairy legs."

## BOOKS

### LIFE ITSELF: Abortion in the American Mind

By Roger Rosenblatt. 194 pages. \$20. Random House Inc., 201 East 50th Street, New York, N.Y. 10022.

Reviewed by Christopher Lehmann-Haupt

WHAT more is there to say on the subject of abortion in America as to borrow the opening image of Roger Rosenblatt's "Life Itself," angry pro-choicers and pro-lifers try to face each other down in public demonstrations, with hatred burning in their hearts?

Precisely that if this conflict can't be resolved, perhaps it might be useful to resolve just why it can't be resolved.

In his thoughtful, healing new book, Rosenblatt, a well-known print and television journalist and editor for Life magazine, begins by pointing out that 73 percent of Americans polled in 1990 were in favor of abortion rights, yet 77 percent in another poll said they regarded abortion as a form of murder.

"Most Americans are both for the choice of abortion as a principle and against abortion itself — for themselves. To state that ambivalence is to begin to deal with it," he writes.

He doubts, moreover, that the introduction of the French abortion pill RU-486 in the United States will diminish conflicted thoughts about abortion.

### RU-486 is an abortifacient, not a contraceptive. The only problem it will solve, should abortion ever be legally forbidden and the drug smuggled into the country, would be to create a way around the law, not the mind.

Then why, he wonders, can't Americans live with this conflict, Americans who should know better about living with conflict than any civilization in history? In answering, Rosenblatt begins by reviewing the entire history of attitudes toward abortion with three questions in mind:

When is a fetus a person? What circumstances justify an abortion? Who decides? His position is that in all of human history to date, no culture has ever been able to answer these questions satisfactorily. And yet Americans continue to wrangle.

He then explores what it is about the United States that has made abortion such an explosive issue in recent years. He begins by citing American religiosity and the loss of a consensus on anything during the past quarter century, and goes on to describe certain characteristics of American thought: "individualism, optimism, a preoccupation with evil and a dogged middle-classness, especially as regards sexuality," each of which "has become peculiarly explosive when abortion has touched it."

Finally, he summarizes conversations he held in 1990 with people in Iowa, a state that he regards "as a model of how we might both discuss the complications

### of abortion and find a reasonably satisfactory attitude on the subject."

Here, through quiet conversations instead of confrontational demonstrations, he manages to bring out subtle nuances of the debate as well as samples of the humane reasonableness that he believes to reside on both sides.

Yet this book trails off a little because of the power with which Rosenblatt sums up the dilemma early in its pages: "We must be willing to acknowledge and live with an imponderable, agoniz-

### ing and fundamentally ambivalent element in our national life, and we have not yet been able to do so. Yet acknowledging and living with ambivalence is, in a way, what America was invented to do."

After this, there is really not all that much to add. Yet this eloquent summing up of a tragic dilemma explains why "Life Itself" is required reading.

Christopher Lehmann-Haupt is on the staff of The New York Times.

## BEST SELLERS

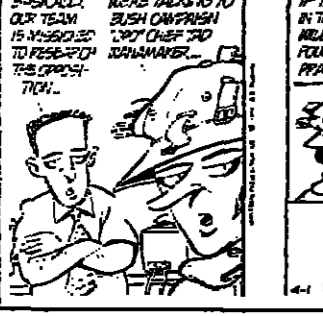
The New York Times  
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION		NONFICTION	
Week	Last Week on List	Week	Last Week on List
1	THE PELICAN BRIEF, by John Grisham	1	REVOLUTION FROM WITHIN, by Gloria Steinem
2	RISE AND FALL, by Michael Crichton	2	DOUBLE CROSS, by Sam Giancana and Chuck Giancana
3	THE ROAD TO OMAHA, by Robert Ludlum	3	BACKLASH, by Susan Faludi
4	THE ELF QUEEN OF SHANNARA, by Terry Brooks	4	ROUQUET WARRIOR, by Richard Marchio and John Williams
5	MOON, by Nicholson Baker	5	DEN OF THIEVES, by James E. Sewant
6	PROBE, by Margaret Wander Bonanno	6	UNTO THE SON'S, by Gay Talese
7	DISNEY'S BEAUTY AND THE DEAST, by Tom Carter	7	BROTHERS, by Ralph Emery with Tom Carter
8	SCARLETT, by Alexandra Ripley	8	THE TEXAS CONNECTION, by Craig Zobel
9	THE CASUALS, by Belva Plain	9	THE OVERWORKED AMERICAN, by Juliet B. Schor
10	OUTERBRIDGE REACH, by Robert Stone	10	BROTHER EAGLE, SISTER SKY: A MESSAGE FROM CHIEF SEATTLE, illustrated by Steve Johnson
11	THE CAT WHO MOVED A MOUNTAIN, by Liane Jackson Braun	11	MOZZY IVANS CAN'T SAY THAT CAN SEE, by Molly Ivans
		12	PLAUSIBLE DENIAL, by Mack McLane
		13	ME: STORIES OF MY LIFE, by Katharine Hepburn
		14	THE END OF HISTORY AND THE LAST MAN, by Francis Fukuyama
		15	SEIZE THE MOMENT, by Richard Nixon

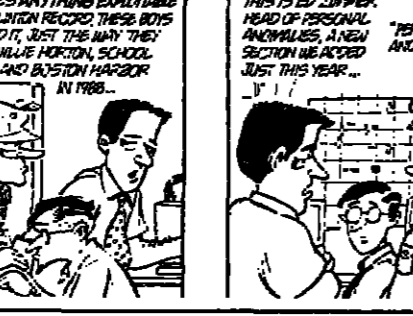
## ADVICE, HOW-TO AND MISCELLANEOUS

1	A RETURN TO LOVE, by Madeline Williams	1	6
2	MORE WEALTH WITHOUT MORE WORK, by J. Givens	2	4
3	AWAKEN THE GIANT WITHIN, by Anthony Robbins	3	312
4	HOW TO SATISFY A WOMAN EVERY TIME, by Nanna Hayden	4	2
5	FRENCH FOR CATS, by Henry Beard and John Bowtell	5	58

## DOONESBURY



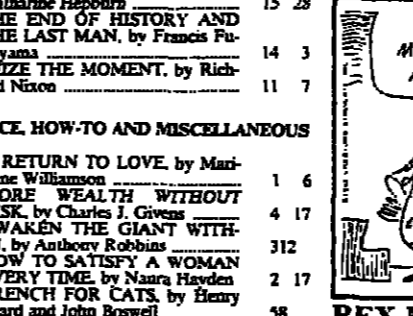
## JUMBLE



## BLONDIE



## WIZARD OF ID



## PEANUTS



## BEEBLE BAILEY



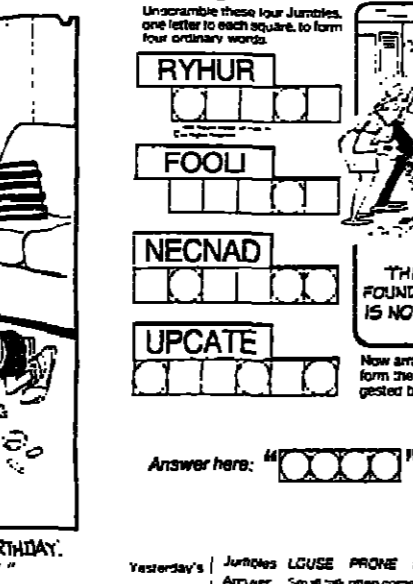
## CALVIN AND HOBBES



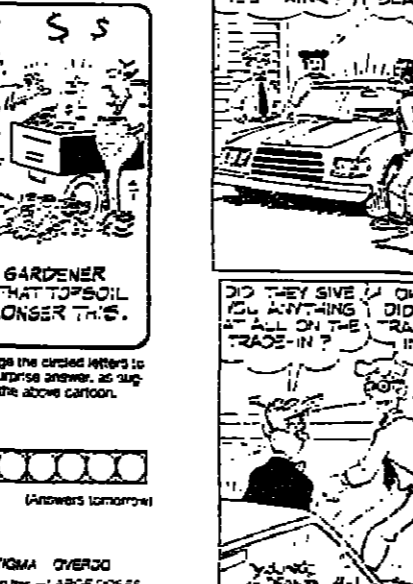
## DENNIS THE MENACE



## GARFIELD



## REX MORGAN



## BLONDIE



## GARFIELD



## REX MORGAN





# SPORTS BASKETBALL

## For Cincinnati, a Return to the Glory Years

By Thomas George  
New York Times Service

CINCINNATI — Every way that Anthony Buford turned on the University of Cincinnati campus on Monday afternoon, there was a handshake, a pat on the back, a good word.

Buford, Cincinnati's versatile, play-making guard, was standing in the campus bookstore when another well-wisher offered his thoughts on what Cincinnati's inclusion in the semifinals of the National Collegiate Athletic Association's basketball tournament meant to him and to others.

"I've got \$500 seats, right on the floor," the fan and fellow student said. "I won't miss a minute of this. You guys have put Cincinnati basketball back on the map. This is going to be a big party in Minneapolis — and here at home."

Buford smiled.

Later he explained: "No one can know just what this means to us. All of our lives, as kids playing basketball, you dream of playing in the Final Four. I've taped all of the recent ones. Now I'll have something special to add to the collection."

"All of my teammates and me know what it's like to have the eyes of the world fixed on you for all the wrong reasons. Just two years ago, I was transferring from Akron to here and I was getting hate mail from the Akron fans. I had to sit out all of last year yet keep my mind focused on basketball. I almost gave up. It seemed my chance would never come. And then to have all of this happen in my last year of college ball? We are living the dream."

Cincinnati's 29-4 season, which includes an 89-57 trouncing of Memphis State in the Midwest Regional final on Sunday in Kansas City, Missouri, earned the Bearcats their Final Four berth against Michigan this Saturday. It all serves as a throwback here to the glory years almost 30 years ago when players like Oscar Robertson helped Cincinnati make Final Four trips routine.

The long drought in between included a three-year probationary period from the

NCAA and one-year elimination, in 1988, from postseason play for the school. Many of the Cincinnati players, however, have experienced their own sort of personal drought. Ten of the 11 players on the Bearcats' roster are transfer students, eight from junior colleges and two from other Division I schools. There has long been an indefinable stigma placed on junior college players:

- Too dumb to make the big time.
- Not good enough to play with the big boys.
- Cincinnati and its coach, Bob Huggins, may change much of that perception this week in Minneapolis.

"We recruit people, good people, whether they are junior college kids or not," Huggins said. "We get people who want to do the right things and want to go to class and make something of themselves. We fit their need and they fit ours. They know that we care about them first as people."

"Here, even in our own hometown, we're just beginning to educate people. We've got a guy who grew six inches while in junior college and worked hard to become the type of player he is today. We've got guys who transferred because of a change in coaches and in their old school's playing style. There are often myriad factors why a guy starts out in junior college, and they all don't have to be negative factors. What we're talking about here is opportunity."

The university thinks of itself in much the same manner. Its brochures read: "A comprehensive university with a personal touch."

The university is situated 3 miles (5 kilometers) north of downtown Cincinnati and has an enrollment of about 36,000. The institution is noted for its engineering and music programs and for its distinction as the first in America (in 1906) to offer cooperative education for its students, the idea of classwork combined with practical on-the-job experience.

The players say that the university and the city are not too big or not too small but just right. The city's diverse economic base offers job opportunities after basketball, they said. And their coach, in his third season here, has offered the right touch. "He knew what it took," said Buford, "to get us where we are right now."

It took Huggins and the players fitting all the different pieces together to form a common bond. It took diving for loose balls — "That's not optional," Huggins said — and a relentless full-court pressure defense that kept producing turnovers. It took the humor of junior forward Terry Nelson, a standup comedian, to keep everyone loose and players like Nelson who do the dirty, inglorious work under the basket.

Huggins has worn the same lucky brown suit for the last 10 games, all victories. He said he will later offer it for charity — after the Final Four, of course.

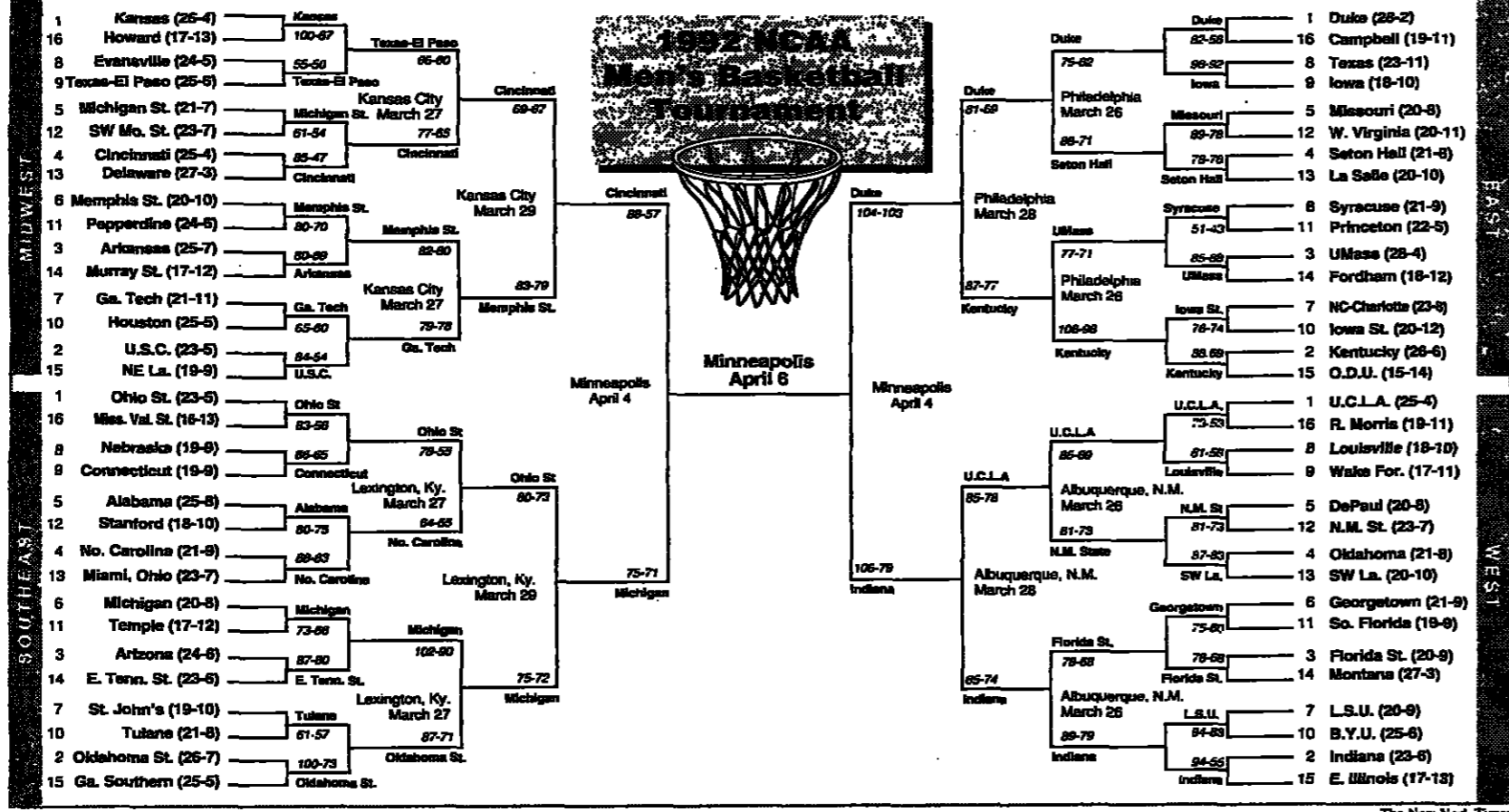
Huggins arrived here in 1989 after five seasons as head coach at Akron and three at Walsh College. In his 11 collegiate seasons as a head coach, his teams have won 20 or more games eight times. He said from the start that Cincinnati would eventually make the Final Four.

"I had 15 or so friends in the coaching business call me and tell me I was out of my mind, that I was putting too much pressure on myself," Huggins said. "What happens too often is that people are afraid to dream and are afraid of being disappointed."

"I'm honest and direct and sometimes I don't give the answers that people are looking for. I don't say to my players to do it because I said so. I say do it and here's why. They listen. I listen. My father was a coach and I grew up in a house always full of coaches. I learned there are so many different ways to skin a cat."

There are also many ways to make a "cat" lean and mean and full of desire and once again the apple of a city's eye. That is what Cincinnati's Bearcats are today.

"And no one can take that away from us," Buford said. "That is what our college experience has meant."



## Noah Quits as French Captain, Draws Retort From Leconte

Compiled by Our Staff From Dispatches

PARIS — Yannick Noah, who captained France to a sensational Davis Cup title last year, announced Tuesday that he is quitting the post and in so doing angered at least one of his former players.

Noah, in revealing his decision in an interview published Tuesday by the sports daily L'Equipe, said that he reached the decision three weeks before this weekend's loss to Switzerland in the 1992 quarterfinals.

"The fact that we lost didn't change my decision," Noah said. "It's out of the question that the Davis Cup become my thing."

"It's enough," he added. "In five or six years time, we will see, but now I want to do something else."

Francois Jauffret, the French Tennis Federation's technical director, said in a radio interview that Noah had revealed his decision to the team's players three weeks ago.

"He didn't want anyone to say he left after a defeat," Jauffret said, adding that "we've fallen from the heights. It's an incredible blow."

He said Noah "brought something phenomenal to this team. We hope he'll stay with us."

But Noah also expressed disappointment with December's two heroes, Henri Leconte and Guy Forget, in a long and sometimes bitter interview in which he accused them of resting on the laurels of the victory over the United States instead of concentrating on the job in hand.

"Basically it was a case of two guys who said, 'We've won the Cup, that's great,'" Noah said. "Henri said, 'The Davis Cup is my life.' No, his life is to play and win matches. It's not because he's won once that everything is accomplished."

"I feared this would happen. We even spoke about it on the night we won the Cup. The guys agreed with me. They won't be surprised to read this."

But Leconte said later in a radio interview that "I'm sorry these remarks were made and that Yannick has it in for us. I find that stupid and idiotic. It leaves an unpleasant taste in the mouth. It's a pity."

Noah, evoking the emotional up-



Yannick Noah after December's victory: "It's enough."

set of the United States in the 1991 final in December, told L'Equipe, "There was nothing more to do."

A former French Open winner and still a part-time player, Noah said he wanted to concentrate on his new career as a singer and recording artist.

His departure is laced with irony. Four months ago, he was a national hero, sharing the Davis Cup trophy equally with his overachieving stars, Leconte and Forget, after their victory in Lyon for France's first Davis Cup title in 59 years.

Yet on Monday, not knowing he was quitting, the French press was questioning Noah's tactical decisions in the loss to Switzerland.

Noah decided that Forget and Leconte were not playing up to par, and gambled by giving the singles berths to two unheralded players,

Thierry Champion and Arnaud Boetsch. Neither had played Davis Cup singles before.

Each lost his opening match Friday. Forget and Leconte won the doubles Saturday, but Champion lost again Sunday to end any hopes of another miracle.

Forget and Leconte, close friends and former Davis Cup playing partners of Noah's, first both expressed disappointment at his decision.

"I told him I would like him to stay on," Forget said. "Yannick is irreplaceable. We will talk about it again, I hope I can make him change his mind."

Leconte said that "it's a pity because we get on extremely well and it's a shame to finish on a losing note. But Yannick has created a team spirit which can carry on without him."

And L'Equipe, in a full-page spread about Noah on Tuesday, already was waxing nostalgic.

"Without Noah, nothing will be the same," the paper said in an editorial. "We miss him already."

(AP, Reuters)

### SIDELINES

#### Beckenbauer: Will Help U.S. Team

BERLIN (AP) — Franz Beckenbauer, the former star player who coached the West German team to the last World Cup soccer championship in 1990, plans to help the U.S. team prepare for the 1994 tournament, the illustrated German weekly magazine Bunte reported Tuesday.

"Yes, I will go there and help them before the world championships. But only for a couple of weeks a year," Beckenbauer said.

The magazine gave no other details, nor did it say how much Beckenbauer, whose coaching skills are highly prized, would be paid.

Bobby Robson, the former English national team manager whose contract with Dutch league leader PSV Eindhoven expires at the end of the season, will take over as coach of Sporting Lisbon later this year, Sporting's president, Jose Sousa Centre, said Tuesday. (Reuters)

#### Italian Cancellation Angers Dutch

ROME (Combined Dispatches) — Bowing to the pressure of such clubs as AC Milan, who because of Italian soccer league and European cup schedules have been unwilling to release their international players, the Italian Federation abruptly canceled Tuesday the national team's exhibition match April 22 against the Netherlands in Eindhoven.

That angered the Dutch Soccer Union because, a spokesman said, "There have been tickets printed and even sold which causes problems." The spokesman said the match will now be played Sept. 9. (AP, Reuters)

#### Loyola Settles With Gathers's Mother

LOS ANGELES (AP) — Loyola Marymount University will pay Lucille Gathers \$545,000 in a settlement that ends legal action against the school by the family of her son, the basketball star Hank Gathers.

Loyola earlier paid \$855,000 in a settlement with Aaron Crump, Gathers's 8-year-old son, in a suit filed by Gathers's estate. Still to be decided is a part of the suit that alleges negligence by those who treated Gathers on the court after he collapsed during a Loyola game on March 4, 1990. Gathers died later that evening of cardiomyopathy.

#### Canadian Olympian in Murder Case

OTTAWA (Reuters) — Ken Leblanc, 24, a member of Canada's four-man Olympic bobsled team, has been arrested and charged with obstructing justice in allegedly threatening witnesses in a murder case involving his brother.

Leblanc was arrested Sunday and denied bail at his court appearance Monday. His brother, Bryan, has been in police custody since December on charges of murdering a paving contractor, Joseph D'Angelo, who was shot dead in his Ottawa office last October.

#### For the Record

The British Open golf championship in 1996 will be held at Royal Lytham, the Royal and Golf Club announced Wednesday. (Reuters)

Phil Jackson, who coached the Chicago Bulls to their first NBA title in the franchise's 25-year history last season, has been given a three-year contract extension through the 1995-96 season. (AP)

Tex Schwan, 71, the former executive of the NFL Dallas Cowboys, has been taken off a respirator and his condition upgraded from critical to serious after multiple bypass surgery. (AP)

Rob Evans, an assistant coach at Oklahoma State, has been hired as the first black head basketball coach at Mississippi. (AP)

Hiroki Ioka of Japan retained his WBA junior flyweight title Tuesday by outpointing Noel Tamao of the Philippines in a 12-round bout in Kitakyushu. (Reuters)

Victor Rabinovich of Mexico won the WBC's vacant bantamweight title Monday night in Los Angeles with a ninth-round technical decision over Yong Hoon Lee of South Korea. (AP)

### Tyson Gets Off To Fast Start

The Associated Press

INDIANAPOLIS — Mike Tyson has decided to eat prison food or cooperate with an educational assessment, which Indiana correctional officials say represents "pretty typical behavior" for a new inmate.

Prison officials confirmed Monday that the former heavyweight champion hadn't taken solid food in his first five days in prison and that he faces disciplinary action for giving his signature to fellow inmates.

Kevin Moore, a Department of Correction spokesman, said Tyson has taken fluids but refused to eat solid food during his first five days at the Reception and Diagnostic Center near Indianapolis.

"Not eating is not atypical of people who are into the system for the first time," Moore said. "They lose their appetite because of the uncertainty."

### Utah Coach's Technical Puts Irish in NIT Final

Compiled by Our Staff From Dispatches

NEW YORK — Utah's volatile basketball coach, Rick Majerus, has put Notre Dame into the final of the National Invitation Tournament.

The burly Majerus banged his fist on a scorer's table three times, slammed down a clipboard, punched the air, shouted, stomped, stared, pointed at a referee and was called for a technical foul with 9.7 seconds left in Monday night's semifinal and Notre Dame escaped with a 58-55 victory in a raucous Madison Square Garden.

That put the Irish in the final Wednesday night against Virginia, which had beaten Florida, 62-56, in the first semifinal behind Bryant Stith's 27 points and 15 rebounds.

The senior, Virginia's career scoring leader, had 10 points in the last nine minutes as the Cavaliers overcame a 49-45 deficit.

In the second half of that game, the Gators could sink only 10 of 27 shots.

The Irish may have played the toughest college schedule in the country, but they seemed about to unravel when they started to blow scoring chances, troubled by Utah's nonstop pressure after halftime.

With 32 seconds left, the Utes took their first lead, 55-54. Then, on an inbound play under the Notre Dame basket, LaPhonso Ellis of the Irish bounced the ball off his foot and Utah recovered. But Utah's Paul Afeaki was called for pushing Ellis, and Majerus blew up.

"It was deserved," Majerus said of his technical. "I've got nothing to say about the officials. But I'm not going to ask one of them on a camping trip this summer."

LaPhonso Ellis made only one free throw. But it did the game, then Damon Sneed sank the two free throws for the technical, the Irish retained possession and won.

(NYT, AP)

### SCOREBOARD

MONDAY'S RESULTS			
San Antonio	77	72	28-29
New Jersey	34	31	30-39
Charlotte	14	12	24-25
Orlando	25	27	38-31
Charlotte	29	22	28-32
Boston	18	23	27-23
Atlanta	10	11	21-22
Washington	10	11	21-22
Philadelphia	31	42	43-14
Washington	22	42	39-24
Orlando	17	25	24-29
Central Division			
Chicago	28	37	31-27
Cleveland	42	46	49-26
Atlanta	42	38	38-49
Atlanta	25	37	46-22
New Jersey	32	39	47-14
Philadelphia	31	42	43-14
Washington	22	42	39-24
Orlando	17	25	24-29
Western Division			
Utah	47	34	48-2
San Antonio	42	38	38-49
Phoenix	42	38	38-49
Denver	29	49	24-29
Dallas	16	24	28-29
Minnesota	11	42	35-26
Pacific Division			
Portland	31	21	28-29
Golden State	42	28	47-24
Phoenix	42	38	38-49
Seattle	42	38	38-49
L.A. Clippers	39	22	24-29
L.A. Lakers	38	32	34-23
Sacramento	24	42	33-27

### BASKETBALL

**NBA Standings**

**EASTERN CONFERENCE**

Atlantic Division

Washington 42-38 49%

Orlando 25-27 38-31

Charlotte 29-22 28-32

Philadelphia 31-42 43-14

Washington 22-42 39-24

Orlando 17-25 24-29

Central Division

Chicago 28-37 31-27

Cleveland 42-46 49-26

Atlanta 42-38 38-49

Atlanta 25-37 46-22

New Jersey 32-39 47-14

Philadelphia 31-42 43-14

Washington 22-42 39-24

Orlando 17-25 24-29

WESTERN CONFERENCE

Pacific Division

Portland 31-21 28-29

Golden State 42-28 47-24

Phoenix 42-38 38-49

Seattle 42-38 38-49

L.A. Clippers 39-22 24-29

L.A. Lakers 38-32 34-23

Sacramento 24-42 33-27

Utah 47-34 48-2

San Antonio 42-38 38-49

Phoenix 42-38 38-49

Denver 29-49 24-29

Dallas 16-24 28-29

Minnesota 11-42 35-26

MONDAY'S RESULTS

San Antonio 77-72 28-29

New Jersey 34-31 30-39

Charlotte 14-12 24-25

Orlando 25-27 38-31

Charlotte 29-22 28-32

Boston 18-23 27-23

Atlanta 10-11 21-22

Washington 10-11 21-22

Philadelphia 31-42 43-14

Washington 22-42 39-24

Orlando 17-25 24-29

Central Division

Chicago 28-37 31-27

Cleveland 42-46 49-26

Atlanta 42-38 38-49

Atlanta 25-37 46-22

New Jersey 32-39 47-14

Philadelphia 31-42 43-14

Washington 22-42 39-24

Orlando 17-25 24-29

Western Division

Utah 47-34 48-2

San Antonio 42-38 38-49

Phoenix 42-38 38-49

Denver 29-49 24-29

Dallas 16-24 28-29

Minnesota 11-42 35-26

Pacific Division

Portland 31-21 28-29

Golden State 42-28 47-24

Phoenix 42-38 38-49

Seattle 42-38 38-49

L.A. Clippers 39-22 24-29

L.A. Lakers 38-32 34-23

Sacramento 24-42 33-27

OAKLAND—Offended Steve Chitren and Kevin Campbell, pitchers; Devin Howitt, outfielder; first baseman; and Mike Kinsner and Eric Fox, outfielders; to minor league camp for reassignment.

TEXAS—Offended Lance McCullers, pitcher; to Oklahoma City, American Association. Dan Corbett, pitcher, was assigned to extended spring training.

MINOR LEAGUES

HOUSTON—Offended Willie Stair and Bob Melillo, pitchers; Eddie Tucker, catcher; and Eric Yelkins, infielder; to Tucson, Pacific Coast League.

N.Y. METS—Traded Terry Brown, pitcher, to San Diego for Craig Buffick, third baseman. Offended Julie Velazquez, pitcher; to Toledo, International League. Steve Chris, catcher, infielder; and Orlando Mercado, catcher, to minor league camp for reassignment.

SAN DIEGO—Put Ed Whitson, pitcher, on 60-day disabled list.

SAN FRANCISCO—Offended Francisco Cabrera, pitcher; Steve Decker, catcher; and Greg Linton and John Petherick, infielders; to Phoenix, Pacific Coast League. Sent Carl McArthur, pitcher, and Steve Lasa, catcher, to minor league camp for reassignment.

BASKETBALL

National Basketball Association

CLEVELAND—Signed Bobby Phillips, forward, to contract through end of season.

FOOTBALL

National Football League

ATLANTA—Signed Terry Jones, wide receiver.

DETROIT—Signed Harry Colon, safety.

GREEN BAY—Signed David Vito, offensive tackle; Jeff Brody, linebacker; and Patrick Jackson, wide receiver.

KANSAS CITY—Signed Bennie Thompson, safety.

WASHINGTON—Signed Gary Wilkins, tight end.

GREEN BAY—Signed Khrick Taylor, wide receiver; kick returner.

L.A. RAMS—Signed Derek Loville, running back.

NEW ENGLAND—Signed Scott Bowles, offensive lineman.

TAMPA BAY—Agreed to terms with Sammy Winder, cornerback.

HOCKEY

National Hockey League

MONTREAL—Recalled John LeClair, center, from Fredericton, American Hockey League.

QUEBEC—Signed Dave Korva, defenseman. Sent Martin Racine, left wing, to Halifax, American Hockey League.

SAN JOSE—Assisted Mike Coleman, forward, to Kansas City, International Hockey League.

COLLEGE

BAYLOR—Homed Larry Tidwell women's assistant coach.

POLY-POMONA—Gene Krueger, women's volleyball coach, resigned.

CENTRAL MISSOURI STATE—Named Bob Stewart, basketball coach.

COLLEGE OF CHARLESTON—Named Sherman Green, softball coach.

GEORGIA SOUTHERN—Named Peter Theunold, quarterback and football coach. Reassigned David Saunders, defensive line coach, on staffbacks coach and Cliff Lewis, softball coach, as defensive line coach.

HARTFORD—Jack Pheasant, basketball coach, agreed to resign. Fired Bob Baroni and

City Young, assistant coaches, and Jamie Casanova, part-time assistant coach.

MASSACHUSETTS—Judy Southard, women's basketball coach, resigned.

MIAMI, OHIO—Extended contract of Joby Wright, basketball coach, through 1994.

MISSISSIPPI—Named Rob Evans basketball coach.

MISSOURI STATE—Named Tom Fleming men's and women's tennis coach.

RUTGERS—Named Dick Jamieson running backs coach.

SOUTHERN UTAH—Named Bill Evans basketball coach.

TEXAS CHRISTIAN—Extended contract of Alon Lita, basketball coach, for 3 years.

BASEBALL

Exhibition Games

MONDAY'S RESULTS

Texas 7, Boston 1

St. Louis 10, Philadelphia 7

Atlanta 5, N.Y. Yankees 3

Pittsburgh 7, Toronto 3

N.Y. Mets 5, Montreal 0

Oakland 6, Chicago Cubs 3

Seattle 5, San Francisco 4

Cleveland 6, Milwaukee 4

San Diego 3, California 0

Minnesota vs. Baltimore, post., rain

Detroit 4, Houston 0

Cincinnati 4, Chicago White Sox 3

# OUT OF THE LOOP?

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1-800-333-3333	ARGENTINA	1-800-333-3333	GREECE	1-800-333-3333	HONG KONG
1-800-333-3333	AUSTRALIA	1-800-333-3333	HUNGARY	1-800-333-3333	INDONESIA
1-800-333-3333	AUSTRIA	1-800-333-3333	IRELAND	1-800-333-3333	JAPAN
1-800-333-3333	BELGIUM	1-800-333-3333	ISRAEL	1-800-333-3333	KOREA
1-800-333-3333	BENIN	1-800-333-3333	ITALY	1-800-333-3333	MACAO
1-800-333-3333	BHARAT	1-800-333-3333	JAMAICA	1-800-333-3333	MALAYSIA
1-800-333-3333	BOLIVIA	1-800-333-3333	JAPAN	1-800-333-3333	MALTA
1-800-333-3333	BRAZIL	1-800-333-3333	JERSEY	1-800-333-3333	MARSHALL ISLANDS
1-800-333-3333	BULGARIA	1-800-333-3333	JORDAN	1-800-333-3333	MEXICO
1-800-333-3333	BURUNDI	1-800-333-3333	KANSAS	1-800-333-3333	MICRONESIA
1-800-333-3333	CAMBODIA	1-800-333-3333	KENTUCKY	1-800-333-3333	MOROCCO
1-800-333-3333	CANADA	1-800-333-3333	KYRGYZSTAN	1-800-333-3333	NETHERLANDS
1-800-333-3333	CHINA	1-800-333-3333	LAOS	1-800-333-3333	NEW ZEALAND
1-800-333-3333	CHINA (TAINAN)	1-800-333-3333	LEBANON	1-800-333-3333	NORWAY
1-800-333-3333	CHINA (TIENTSIN)	1-800-333-3333	LIBERIA	1-800-333-3333	PERU
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OBSERVER

Granny-Dumping

By Russell Baker

NEW YORK — John Kingery, 82, physically helpless, emptied of memory by Alzheimer's disease and holding a bag of diapers, was abandoned in his wheelchair at an Idaho dog track the other day. "Proud to be an American" were the words on his sweatshirt.

Something about the story caught editors' attention. Maybe it was the dog-track angle. Old-timers like Kingery are usually abandoned at hospitals.

These abandonments are common enough nowadays, according to agents of the old-people's lobby, to constitute a trend, which they call "granny dumping."

Helpless ancient dumped at hospitals haven't much interested the press before now, but a granny left at a dog track was a story too bizarre to ignore, and it got big play across the United States.

Thus I was forced to dwell on it at the very moment the posturing of the presidential candidates was at one of its seasonal peaks.

Former Governor Brown was dilating on the miracles that would flow from a 13 percent flat tax, with blithe disregard for the fact that George Washington himself, risen from the tomb for the specific purpose, could not persuade any Congress — Democratic Republican Whig, Federalist, Tory or Milk-of-Human-Kindness Party — to enact a flat tax.

Governor Clinton, instead of dismissing Brown's tax promise as irrelevant to real life — granny dumping, e.g. — was accepting the Brown theory that most voters are too dim to grasp basic political realities, like Congress's sovereignty in tax matters.

So there he was, gravely denouncing the so-called poor nature of all flat taxes as though Brown's might really be enacted.

No wonder so many voters were saying there had to be somebody better than this crowd.

There, as among the Democrats, it was politics as usual: strict loyalty to the faith that you can fool enough of the people enough of the time to be elected president.

Granny-dumping hadn't come to the attention of presidential speech writers in January when they composed the State of the Union address, but even then the press told tales of the death of civilization. People sleeping on the streets. Terrorists rampant in filthy, ruined cities. Bankruptive health care, and none at all for millions.

Never mind. The president's January speech had dared Democrats to do many vaguely defined things he knew they would not do, and he challenged them to do them by March 20, or else get campaigned against for not doing them.

In short, while pretending to provide us with the governance services for which we pay him, he was posturing for re-election. Congressional Democrats, equally masterful at striking poses, quickly passed a tax bill they knew the president would veto.

It offered small coin to this year's favorite undefinable mass. "The middle class." Bush then danced the next step in this fakery: by vetoing it.

Now they will argue about who most loves the middle class, each boasting of his own role in this stale piece of political bamboozlement as evidence of statesmanship.

Contemplating the possibility of being granny-dumped, there in the wheelchair, holding the bag of diapers, "Proud to be an American," I wonder if our politicians might be numb to furies seething among Americans as Eastern Europe's rulers were numb to the passions that undid Leninism.

Wake and look, gentlemen. There's trouble out here. People sleeping in the streets. Terrorists killing for fun, money and revenge in filthy, ruined cities. Millions with no medicine, no doctor. The desperate young are abandoning helpless, hopeless Granny.

Some indignation must be voiced, some conviction about public morality expressed, some principles articulated. "Electability" is a shabby substitute for the passion that hates seeing the old country poorhouse revived as a dog track.

Now they will argue about who most loves the middle class, each boasting of his own role in this stale piece of political bamboozlement as evidence of statesmanship.

At Oscars, 'Lambs' Comes In Like a Lion

By Carla Hall

Washington Post Service

LOS ANGELES — "The Silence of the Lambs" swept the Oscars, taking the awards for best picture, best director, best actor, best actress and best adapted screenplay.

"I'm literally in a state of shock," said the director Jonathan Demme backstage. The thriller starred Anthony Hopkins as the brilliant cannibal murderer Hannibal Lecter and Jodie Foster as the young FBI agent who seeks his help in capturing a serial killer.

"It's hard to digest," Demme said of the awards. "No pun intended," he added.

Asked if the film's sweep speaks well for the horror genre, Foster said, "I don't think this fits into the horror genre at all — I think this is a pretty heavy-duty psychological drama. It says a lot for dramatic movies. There's not a comic moment in it."

Jack Palance won the Academy Award as best supporting actor in "City Slickers" and he wanted to make sure he didn't leave the impression he was on his last legs. He did one-handed push-ups to enthusiastic applause.

Mercedes Ruehl walked away with the best supporting actress award for her work as the warm-hearted video store owner in "The Fisher King." The category was one of several in which the field was seen as fairly wide open.

Gabriele Salvatores' "Mediterraneo" won best foreign language film. The art designer Dennis Gansner and the set director Nancy Haigh won for "Bugsy," which also won the award for costume design.

"Terminator 2: Judgment Day" took four Oscars, for sound, sound effects editing, makeup and visual effects. The best picture nominee "JFK" took awards for editing and cinematography. The "JFK" film editors Joe Hutshing and Pietro Scalia commended the director Oliver Stone for giving them freedom.

"Oliver stayed away from the [editing] room," said Scalia. "He said, 'Break the rules on this one,'" said Hutshing.

Callie Khouri won best original screenplay for her spirited and groundbreaking script for "Thelma & Louise," the story of two women on the run.

"Geena and Susan, I think you've made the world a better place," said Khouri, thanking the lead actresses of the film, Geena Davis and Susan Sarandon. Asked if the film indicates more strong female roles to come, Khouri said, "I certainly look that way — I hope it is. I plan on writing a few. I think that Hollywood is not only ready but willing and able."

Khouri said, "I think that Hollywood is not only ready but willing and able."



Jonathan Demme with his Oscar for best director; Mercedes Ruehl, best supporting actress, and, below, Jack Palance, best supporting actor, does a one-handed push-up to show that older actors can be winners too.



unwarranted in terms of its criticism — I don't think it was male bashing or anything like that.

As anticipated, a couple of hundred gay rights activists demonstrated across the street from the Dorothy Chandler Pavilion, where the annual awards ceremony was being held, but the event was uninterupted.

The Associated Press reported that 10 people were arrested, including two protesters who threw objects at the red-carpeted entrance, and five who refused police orders to move from an intersection. The protesters objected to portrayals in

three Oscar-nominated films: a gay serial killer in "The Silence of the Lambs"; a gay man accused of conspiracy in President Kennedy's assassination in "JFK"; the "de-lebianizing" from the original novel of two companions in "Fried Green Tomatoes."

Asked how he felt about the gay activists outside, Demme said, "I think there is great cause for anger from the gay population of this country. I think it's the responsibility of filmmakers to have a much broader range of characters."

Foster responded to the same question with, "Well, I think protest is good, it's in

the Constitution, it's not against the law." Asked if this second Oscar (her first was for her 1988 performance in "The Accused") was an embarrassment of riches, Foster cried "No way!" Demme was definite about one thing: "I want to make a sequel to 'Silence of the Lambs' so bad."

Of the original book, Demme said, "Thomas Harris's characters get under your skin."

Demme said he didn't see Lecter as a hero but as "an extraordinarily compelling character. This is one of the great creations of 20th-century literature. We're all fascinated with evil."

Ruehl, who has already won a Tony for her work in "Lost in Yonkers," said she had "secreted on my person" a green scarf as a good luck charm. She joked about putting the Oscar on a string around her neck. "I had some expectation but I hope I didn't look too prepared," Ruehl said about winning. "You spend 30 years preparing for this speech and then they give you 30 seconds," said Ruehl, who wore a black hair dress by Valentino.

Speaking of good luck, Palance said, "I heard a rumor that if you win an Oscar you've got it made. Now all I need is another job — then I've really got it made." The 72-year-old actor, ruddy-faced and silver-haired, was nominated twice before, once for "Shane" in 1953. Palance said the award would have meant more 40 years ago. "I probably would have tried more things in the film business. It's nice now — but then it would have been more exciting."

The winner in documentary features — one of the most controversial categories this year for its well-known omissions such as Paris 13 Burning, "25 Up" and "Hearts of Darkness" — was "In the Shadow of the Stars," a look at the members of the San Francisco Opera chorus. Allie Light and Irving Saraf were the winning producers. Backstage, Allie Light said of the documentary feature brouhaha, "If I was very good at promoting ourselves, I would say this is good — no one has paid much attention to documentary filmmaking before."

Other winners: DOCUMENTARY SHORT SUBJECT: Debra Chasnoff, "Doubly Deceitful: General Electric, Nuclear Weapons and Our Environment"; MUSIC ORIGINAL SCORE: Alan Menken, "Beauty and the Beast"; MUSIC ORIGINAL SONG: Alan Menken and the late Howard Ashman, "Beauty and the Beast" from "Beauty and the Beast"; ANIMATED SHORT FILM: Daniel Gressner, "Monty Python"; LIVE ACTION SHORT FILM: Seth Winston and Rob Fried, "Seasons Here"

Honorary Oscars announced in advance: IRVING G. THALBERG AWARD: George Lucas; LIFETIME ACHIEVEMENT AWARD: Dorothy Foy; GORDON E. SAYER AWARD: Roy Hovvhouse.

PEOPLE

Theft of a Waxen Chef Claimed by Colleagues

Bernard Gabriel Thomas, president of the Musée Grévin, found the museum's wax likeness of the celebrated chef Paul Bocuse "mysteriously" missing when he arrived at work Tuesday. Later, a group of Lyon's chefs claimed authorship of the wax and said they would return the figure only "under duress."

A famous image of William Shakespeare — the engraving on the first edition of his collected works — was based on a 1588 portrait of Queen Elizabeth I, a contemporary expert has concluded. "With this, it's so perfect that there's no doubt. You could take the two portraits, scale them to the same size, on a Xerox machine and lay them on top of each other and see for yourself," Lillian Schwartz said.

"Absolute garbage," said Paul Bezzant of Rutgers University, who has written studies of Shakespeare's portraits.

Alberto Zedda, conductor, musicologist and a specialist in the operas of Rossini, was named artistic director of Milan's Teatro alla Scala Tuesday. Zedda, 64, succeeds Cesare Mazzonis in the post, Italy's most prestigious opera house, where he will form a team with Riccardo Muti, the music director.

A fifth-grade class at Central Avenue Elementary School of Lancaster, New York, wrote to celebrities asking for favorite recipes for a cookbook. Steven Spielberg's, "Chicken are in the 80-page book," is New York Governor Mario Cuomo's version of Long Island Bluefish. Mary Levy, coach of the Buffalo Bills, replied, but not with a recipe. "I would not recommend that anyone eat a dish I prepared," he wrote.

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